

# The NATIONAL UNDERWRITER

## This New Statement Reveals UNUSUAL SOUNDNESS

Financial Statement	
A Strong Liquid Company	<b>ASSETS</b>
	Government Bonds (Canada) . . . \$ 174,680.99
	Government Bonds (United States) 1,282,749.29
	Railway Bonds . . . . . 534,506.98
	Public Utility Bonds . . . . . 969,206.78
	Stocks . . . . . 284,190.00
	Cash in Banks and on Hand . . . . 758,772.21
	Premiums in Course of Collection . 462,348.06
	Reinsurance Recoverable on Losses 11,007.69
	<b>Total Funds Convertible into Cash on Short Notice . . . . . \$4,477,462.00</b>
• Surplus \$2,604,415.51	School Bonds . . . . . 624,602.85
	State, Municipal and County Bonds . . . 846,635.69
	Industrial and Other Bonds . . . . . 30,575.00
	Real Estate Mortgages, First Lien . . . . 10,600.00
	Real Estate . . . . . 86,930.39
	Accrued Interest on Investments . . . . 46,868.90
	<b>*Total Assets . . . . . \$6,123,674.83</b>
	<b>LIABILITIES</b>
	Unpaid Losses, Net . . . . . \$ 237,708.42
	Reserve for Unearned Premiums . . . 2,391,550.90
	Reserve for Accrued Taxes . . . . . 60,000.00
	Reserve for Accrued Expenses . . . . . 30,000.00
	Reserve for Contingencies . . . . . 800,000.00
	<b>Total Liabilities . . . . . \$3,519,259.32</b>
	<b>**Net Surplus Over All Liabilities . . . . \$2,604,415.51</b>

\*December 31, 1935, Security Values are those established by the National Convention of Insurance Commissioners.  
\*\*Amount of such surplus which constitutes a permanent fund \$1,000,000.00.

This 70th annual statement evidences the unusual strength and liquidity of the Millers National Insurance Company. In answer to the question ever present in the policyholder's mind as to the Company's ability to meet the unexpected, practically three-fourths (73%) of Millers National's investments are convertible into cash on short notice. Out of assets totaling \$6,123,674.83 this Company maintains a surplus of \$2,604,415.51, plus \$800,000.00 voluntarily set up as a contingency reserve. The ratio of \$2.25 in assets to every dollar of actual liability reveals the unusual financial soundness of the Millers National.

The security back of Millers National protection is recommended for your consideration. A complete copy of the Company's new statement may be obtained by request.

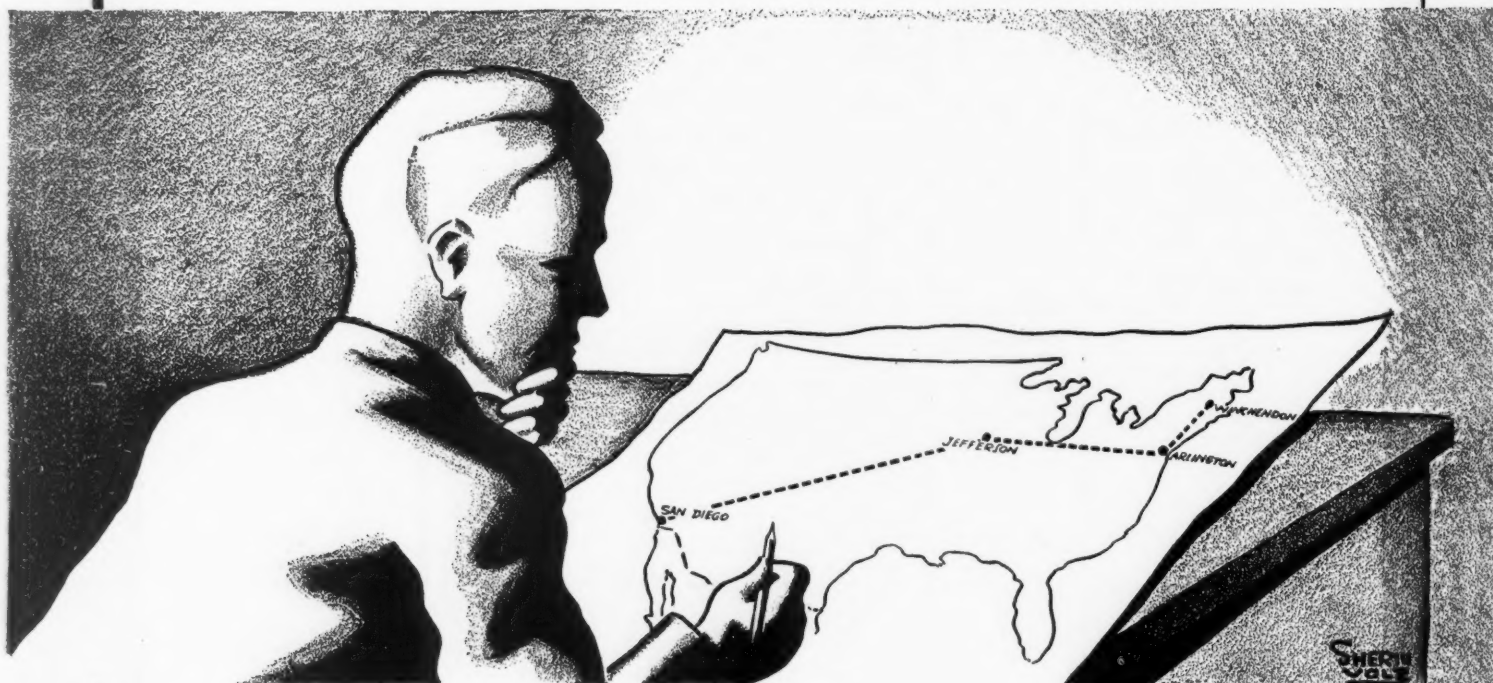
1865  1936

**MILLERS NATIONAL  
INSURANCE COMPANY • CHICAGO**

*Seventy-one Years of Service*

**THURSDAY, FEBRUARY 13, 1936**

# Continent-Wide Claim Service *in Action . . .*



**I**MAGINE yourself as the agent in this case. Suppose you had recommended a Travelers Automobile policy—that your policyholder had had an accident—and you then received a brief report which read:

“The assured lives in Winchendon, Mass. The driver of his car lives in San Diego, Calif. The accident occurred near Jefferson, Iowa. The other car involved belongs to a person in Arlington, N. J. It was being driven by a person from Homer, Nebr. The only witness is a person from Minneapolis, Minn.

“The case was given prompt attention and settled within a few days.”

In case of accident many miles away from home and friends, your clients need the superior claim service The Travelers is in a position to render.

What happened in this case could easily happen to any one of your clients. That's why it pays to place your Automobile business in The Travelers, which has a far flung claim organization with 198 main service offices and 1,250 salaried claim employees, and thousands of agents throughout the country.

When you insure your clients in The Travelers, you assure them of real service everywhere in the United States and Canada.

## THE TRAVELERS

THE TRAVELERS INSURANCE COMPANY  
THE TRAVELERS INDEMNITY COMPANY  
THE TRAVELERS FIRE INSURANCE COMPANY

HARTFORD

CONNECTICUT









DEPENDABLE INSURANCE SINCE 1863

## *Multiple Line Facilities*

The agent who represents a company of the Fireman's Fund Group can offer nationwide facilities for writing practically every form of insurance except life. He can sell with unbounded confidence and assurance, knowing that the policies of these companies are —

*backed by*

STRENGTH  
PERMANENCE  
STABILITY

*Fire · Automobile · Marine · Casualty · Fidelity · Surety*

# **FIREMAN'S FUND GROUP**

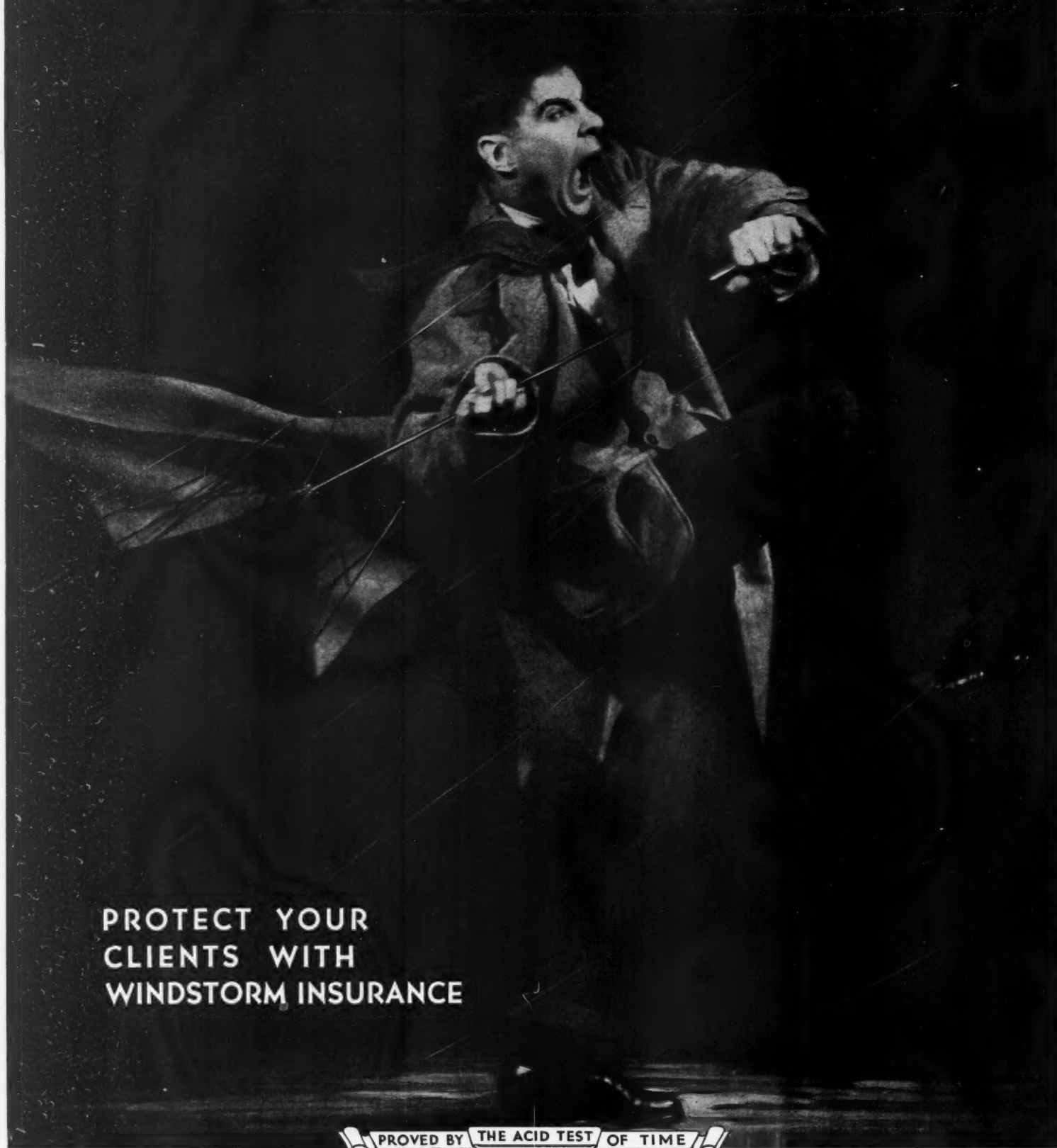
*Fireman's Fund Insurance Company — Occidental Insurance Company*

*Home Fire & Marine Insurance Company*

*Fireman's Fund Indemnity Company — Occidental Indemnity Company*

New York · Chicago · SAN FRANCISCO · Boston · Atlanta

# WINDSTORMS DESTROY PROPERTY



PROTECT YOUR  
CLIENTS WITH  
WINDSTORM INSURANCE

PROVED BY THE ACID TEST OF TIME

## *America Fore Insurance*

THE CONTINENTAL INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane,*



## *and Indemnity Group*

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Boards  
BERNARD M. CULVER, President

*New York, N.Y.*

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL



# The National Underwriter

## WEEKLY NEWSPAPER OF INSURANCE

Fortieth Year—No. 7

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 13, 1936

\$4.00 Per Year, 20 Cents a Copy

### Extend Pro-Stock Bulletin Service

W. U. A. Message to Go to  
Indiana, Kentucky, Tennessee,  
Michigan Agents

### OFFER MUCH MATERIAL

Plan Was Tested in Wisconsin—  
Emphasis Is on Constructive  
Aspects of Competition

After having used Wisconsin as a testing ground, the public relations committee of the Western Underwriters Association is now preparing to introduce its program to provide agents and field men with constructive competitive material in behalf of organization stock fire companies in four additional states—Indiana, Kentucky, Tennessee and Michigan.

H. W. Chesley, assistant secretary of the Western Underwriters Association, and Wallace Rodgers, the publicity expert, appeared before the meeting Monday of last week of the Indiana Fire Underwriters Association to elucidate the purposes and technique of the program. They held a similar meeting with the Kentucky field men Monday of this week, with the Tennessee field men in Nashville the following day and then journeyed to Detroit to confer with the Michigan field men Wednesday.

### Service Is Improved

The Wisconsin experiment attracted much attention and aroused nation-wide interest. It consisted of a series of 18 weekly letters that went to all agents and field men of W. U. A. companies in the state. The response was enthusiastic and the public relations committee learned, by experience, how the service might be made more attractive and effective. In Wisconsin the weekly messages were in the form of mimeograph letters.

In the four new states, the messages are to be in printed, bulletin form and will be individualized in certain respects for the particular state.

The program is described primarily as being pro-stock, the intention being to create a feeling of greater pride on the part of agents in their representation of organization, stock companies, and to provide the agents with facts upon which to justify that pride.

### Message from Manager Thomas

The precise number of bulletins that will be sent out in the four new states has not been determined, but it will probably be between 15 and 20.

The first bulletin contains a message from Manager Charles F. Thomas of the Western Underwriters Association, stating that these "stock company agency bulletins" are designed to aid representatives of member companies in coping with present conditions in the business.

"These messages or bulletins will provide information and suggestions de-

### Fire Insurance Collections In Much Improved Condition

### END OF UNPAID BALANCE EVIL

Companies and Agents Both Gain From  
Intensive Drive Against Extended  
Agency Credits

NEW YORK, Feb. 12.—Whether as a result of improved economic conditions, the application of stringent rules upon payment of balances by the regional governing bodies, the adoption of sounder business practices on the part of agents themselves, or a combination of all three influences, the fact remains that distinct improvement in the collection of agency accounts has been the general experience of fire companies in recent months, and the feeling obtains that the present satisfactory order is likely to become more or less permanent.

If such proves to be the case the business will be distinctly the gainer; for it will remove what has long been one of the sore spots in company operations, and will permit field men to devote more time to the development of premium income and to the inspection of risks now upon the books.

### Unpaid Balance Evil

The latitude allowed agents by some companies in the matter of balance payments developed to a point where it furnished not only unfair competition, but in many cases proved the undoing of the supposedly favored local representatives, in that it developed in them careless habits in the collection of premiums from assured, and again in the handling of such money following its collection.

Premiums only too often were deposited with the general accounts of the agents instead of being kept separate and apart as strictly trust funds, and when an accounting was compelled the money was not available.

signed," according to Mr. Thomas, "to promote accurate understanding of present conditions in fire insurance, to bring about clearer conceptions of the facilities, services and functions of stock fire insurance and the local agency system and provide advocates with additional facts with respect to competition, including selling suggestions for meeting such competition when encountered. The material will have a definite pro-stock complexion."

Mr. Thomas solicits advice and suggestions from readers so that the service may continually be improved.

The Tennessee Fire Underwriters Association, in conjunction with the Tennessee Association of Insurance Agents, will sponsor public relations meetings to be held in Chattanooga March 4 and in Nashville March 6, at which time F. S. Dauwalter of the Royal and F. W. Doremus of the American will be the principal speakers. H. H. Corson, president of the local agents association, will have charge of the discussion of the casualty lines.

### National Union Completes 35 Years in Field Feb. 14

### RECALL RECORD OF GROWTH

Pittsburgh Company Overcame Early  
Reverses to Emerge as One of  
the Potent Organizations

The National Union Fire of Pittsburgh on Friday of this week will have completed its 35th year of existence. It was organized Feb. 14, 1901, by leading bankers and industrialists of Pittsburgh, with a cash capital of \$200,000. Later in the year the capital was increased to \$500,000 and a surplus of \$250,000 was paid in.

From this start, the company has progressed to the financial position of a capital of \$1,100,000, and a policyholders' surplus of well over \$6,000,000.

The National Union is one of the outstanding successes among companies of similar type that have been organized since the turn of the century, and now occupies a prominent position in the fire insurance world after overcoming many obstacles that have arisen during its 35 years of existence.

### Heavy Losses at Start

Shortly following the company actively engaging in the fire insurance business, heavy losses were sustained in Baltimore in 1904, then it was faced with losses in the San Francisco conflagration in 1906 that taxed its financial condition severely, but due to the loyal support of its stockholders the company came through with a most pleasing record. There followed conflagrations at Chelsea, Salem, Augusta, Atlanta, windstorm losses in Florida and St. Louis, but the losses occasioned by all of these catastrophes were promptly met and the prestige of the National Union upheld.

The company commenced its activities in a one room office in downtown

(CONTINUED ON PAGE 31)

### Commissioners Set Date for St. Paul Annual Meet

The annual meeting of the National Association of Insurance Commissioners will be held the week of June 8 at St. Paul. There has been some delay owing to the local committee desiring to find a time when it would be more convenient all around. The Minnesota Association of Insurance Agents will hold its annual meeting at St. Paul the same week.

The first day, Monday, will be reserved for committee meetings, Tuesday for open sessions, Wednesday for entertainment and business discussions largely in executive session Thursday. The program is being arranged by Superintendent L. H. Pink of New York.

### Pittsburgh Day Big Social Event

Speakers Appreciated Atmosphere  
of Occasion and Abbreviated  
Their Talks

### PALMER GIVES MAIN TALK

More Than 90 Company Executives Attend  
Brilliant Function—Pink Files  
Speech Without Delivering It

### By LEVERING CARTWRIGHT

The Pittsburgh Insurance Day celebration this year more than ever was a social occasion, with the formal speaking program reduced, as compared with former years. More than 90 company executives from New York, Hartford, Baltimore and other underwriting centers were present and there was plenty of opportunity during the afternoon and evening for the Pittsburgh people to fraternize with their guests.

Several headliners were on the luncheon and banquet programs, but in deference to the social spirit which seemed to prevail, most of them confined themselves to a bow and a "how do you do." W. Owen Wilson of Richmond, Va., chairman of the executive committee of the National Association of Insurance Agents, who was scheduled as the principal speaker at the luncheon, confined himself to a few words about company-agency cooperation. President John M. Thomas of the National Union Fire responded briefly and the afternoon was then free for social contacts among company executives and local agents.

### Too Many for Head Table

The banquet was attended by more than 1,000. Because of the exceptional number of company executives, the former practice of seating these guests at a long head table had to be abandoned and instead they were placed at tables that were separated from the proletariat by a ribbon.

The toastmaster was Owen B. Hunt, insurance commissioner of Pennsylvania. He was recently appointed chairman of the speakers' committee of the Pennsylvania Democratic committee and those who saw him perform at the banquet in Pittsburgh understood why he was chosen. He has an expansive, booming Irish voice. He is a good political campaigner and possesses a good toastmaster's wit.

K. H. Bair of Greensburg, Pa., who is president of the National Association of Insurance Agents, was scheduled to give "A Message from the National Association." Mr. Bair set the pace by limiting his greetings to about five minutes.

Then Insurance Superintendent L. H. Pink of New York was introduced and he was slated to give a serious talk on "Automobile Insurance—Are Standard Rates Justified?" Mr. Pink apparently

(CONTINUED ON PAGE 32)



## Answer to Philadelphia Solicitor Problem Found

### AGREEMENT IS NOW REACHED

#### Companies and Agents Unite on Amendment to Local Board Con- stitution and By-Laws

The long negotiations concerning the solicitor problem in Philadelphia have at last resulted in a proposal upon which company and agency leaders have agreed and which will be voted upon next week by the Philadelphia board. A joint announcement was made by John O. Platt, vice-president of the North America and chairman of the companies' committee, and C. T. Monk, president of the Philadelphia Agents Association.

The agreement involves the substitution of a new section for the present section 3, article 10 of the constitution and by-laws of the Philadelphia Fire Underwriters Association.

#### Requirements of Solicitor

Under the revised section each member would be privileged to appoint as many soliciting agents as he desires, but none of the solicitors would be authorized to bind insurance, write or sign policies. They must not be engaged in banking or trust company business, in building, manufacturing or any mercantile pursuit, nor in law. The secretary will be the judge of whether the applicant intends seriously to engage in the solicitation of insurance. The secretary may reject applications for good and sufficient reasons and he must state those reasons.

Solicitors would not be compensated in any way in excess of compensation for certified brokers.

All existing solicitors and those hereafter appointed must obtain the approval of the secretary. Appeal may be taken by a member submitting the application, to the executive committee. Lawyers who have been licensed prior to Feb. 20 and who do not elect to become brokers, may continue to be licensed.

All companies would be required to submit a list of their present solicitors and all new applicants to the secretary for examination and approval. The secretary would be required to keep a confidential card index of this data. Companies and agents, before submitting application for a solicitor's license, may inquire whether the applicant has already been approved by the secretary.

The joint statement emphasizes that the negotiations have been carried on in a friendly spirit and observes that much can be accomplished by mutual sacrifice instead of antagonism.

### Springfield, Mass., Agents Elect

SPRINGFIELD, MASS., Feb. 12.—The Springfield Board of Fire & Casualty Underwriters, 52 years old, with 86 members, elected the following officers: President, for fourth term, H. R. Preston of Goldthwaite, Preston & Olmstead; vice-president, S. B. Eddy of Field, Eddy & Bulkley; secretary, F. M. Campbell, of Campbell-Page Co.; treasurer, William Kelley of J. E. Kelley & Son. L. J. Stewart was elected chairman of the executive committee and Robert Baldwin and R. S. Redfield, new members.

### F. H. Crane Restored as Partner

ST. LOUIS, Feb. 12.—Circuit Judge O'Malley has ordered that Frank H. Crane, who was expelled as partner in the Charles L. Crane Agency Company here, in May, 1934, be restored to all privileges as a partner.

The concern was founded in 1885 by Mr. Crane's father, Charles L. Crane, who retired from active connection with the firm several years ago. F. H. Crane charged that the other partners undertook to expel him without proper cause. He contended his interest in the firm

## Celebrating 35th Anniversary



JOHN M. THOMAS



H. A. YATES

President John M. Thomas and Vice-president H. A. Yates of the National Union Fire this week are observing the 35th anniversary of the National Union Fire of Pittsburgh. Mr. Thomas assumed control of the company in July, 1931, and selected Mr. Yates as his first lieutenant. Their successful administration is generally recognized and they enjoy the good will of the business. They superintended a reorganization of underwriting practices, which cut off much existing business, but at the same time they launched a new building program, the momentum of which is increasing.

The affiliated Birmingham of Pennsylvania has been placed on the map in bolder letters and is a growing institution.

was taken at less than its actual worth.

The other partners contended that Crane was expelled because he had been in disagreement with the other partners for years and had been unreasonable in objecting to their plans.

At the hearing before Judge O'Malley in November it was revealed that Crane had retained desk room in the agency, acting as a broker, and was on good personal terms with his former partners, but was not participating in the profits of the agency. His father was a witness for him at the trial.

#### Miscellaneous Notes

The Iowa Blue Goose will hold its annual dinner dance Feb. 15 in Des Moines.

The American Citizen Agency of Columbus has been incorporated by Orin Colley, F. J. Colley and E. G. Dempster.

### Lake, Kansas State Agent

#### St. Paul F. & M., Succumbs

WICHITA, KAN., Feb. 12.—P. L. Lake of this city, 70, state agent in northern Kansas for the St. Paul F. & M. for 18 years, died of pneumonia at Colby, Kan. He had served the St. Paul 33 years, first as local agent at Medicine Lodge, appointed in 1903; later with the Van Arsdale Osborne Brokerage Co., St. Paul general agent, and subsequently with the St. Paul, when they assumed supervision of the territory except for hail insurance. His brother, E. E. Lake resides at Medicine Lodge representing the Farmers & Bankers Life. The widow, two sons and daughter survive.

## THE WEEK IN INSURANCE

Three prominent insurance commissioners and two national agency leaders appeared on the program at the Pittsburgh Insurance Day celebration. Page 1

Pro-stock bulletin service of the Western Underwriters Association, which was tested in Wisconsin, is now being extended to Indiana, Kentucky, Tennessee and Michigan. Page 1

Bureau of motor carriers of Interstate Commerce Commission issues tentative recommendations for rules and regulations governing motor carriers under the 1935 act. Page 5

Accident & Casualty of Switzerland, of which Neal Bassett is U. S. manager, has been licensed in New York. Page 37

Consistent underwriting and the featuring of trade services urged by J. Victor Herd at F. V. A. meeting. Page 6

Surety company officials sailed for London to deal with London Lloyds on blanket bond contracts. Page 36

Retrospective rating plan for workmen's compensation risks ended consideration following conference in east. Page 35

President George G. Bulkley of the Springfield Fire & Marine comments on the year's operations. Page 5

Revised private passenger automobile liability rates for sections of New Jersey

announced by National Bureau of Casualty & Surety Underwriters. Page 36

Manhattan and Bronx fire premiums for full year 1935 are reported, showing slight decrease. Page 5

The Boston and Old Colony promotes Bertram L. Hewett to vice-president, Earl Gibbs, assistant secretary, and J. L. Iverson, assistant secretary. Page 10

Announcement is made of change in title of the Springfield F. & M. group in its western and Pacific Coast departments. Page 1

Much interest aroused by issues that developed in hearings held by Insurance Director Palmer of Illinois. Page 35

Insurance Superintendent Pink of New York in paper prepared for presentation during Pittsburgh Insurance Day covers compulsory automobile insurance idea and various phases of automobile rate making. Page 35

Foreign aviation risk greater, Aero Insurance Underwriters notes; rate on employers aviation indemnity coverage abroad is 50 percent greater than for U. S. Page 37

Staff promotions made by Aetna Life and affiliated group. Page 37

Five occupational disease bills introduced in Illinois legislature are designed to permit casualty companies to write the risk. Page 37

## Potter and Payne Promoted by Home in Loss Division

### BOTH MEN SERVED IN FIELD

#### Vice-President Van Vranken Continues as Senior Officer With Juris- diction Over Department

Promotions in the loss department of the Home of New York at the head office are announced. R. F. Van Vranken, vice-president and secretary, relinquishes his additional title of general adjuster, although he continues to be the senior officer with jurisdiction over the loss department.

F. E. Potter, formerly assistant general adjuster, becomes general adjuster and H. A. Payne, who has been handling New York losses, becomes assistant general adjuster.

Mr. Potter started with the old Mississippi rating bureau in 1916 and continued there, except during the war period, until 1920. Then he joined the Home in Mississippi and later was transferred to Chicago in the improved risk department. In 1922 he was sent back to Mississippi and in 1928 became Louisiana state agent. In 1933 he was called to the office as assistant general adjuster.

Mr. Payne served as staff adjuster in Indiana from 1923 until he was called to the home office in 1934.

### Security of Iowa Figures

The Security Fire of Davenport shows assets \$2,033,299 of which \$514,939 are bonds, \$499,141 city mortgages, \$175,573 farm mortgages, \$411,376 home office building and other real estate, \$128,600 stocks, \$143,584 cash. Its premium reserve is \$840,637, voluntary reserve \$20,000, capital \$500,000, surplus \$533,176. Its assets a year ago were \$1,934,203 and its policyholders surplus \$1,007,116. It was organized in 1883 and this is its 53rd annual statement.

### Cumberland County, Me., Election

PORTLAND, ME., Feb. 12.—John E. Shearman of Norton, Hall & Webster, of Portland, was this week elected president of the Cumberland County Board of Fire Underwriters. Other officers elected were: first vice-president, H. M. Payson of Morse, Payson & Noyes; second vice-president, R. M. Pennell of E. C. Jones & Co.; secretary-treasurer, L. W. Helson of Anderson & Adams Co. W. C. Hay and H. D. Loring were elected to the executive committee.

### Philadelphia Chief Resigns

PHILADELPHIA, Feb. 12.—Following the suspension of the entire staff of the fire marshal's office and a demand for their resignation, with the exception of one clerk-stenographer, by Mayor Wilson, Fire Marshal J. O. Mulhern and seven of his aides have handed in their resignations. Assistant Marshal Thomas McNitt, whose refusal to resign brought on the suspension of the entire office, was still adamant in his refusal to resign, reiterating his charge that the "arson ring" was trying to get him ousted.

Fire Captain J. S. Clinton has been made acting fire marshal and assigned 10 regular firemen to assist him.

### Home Fire & Marine

The Home Fire & Marine of the Fireman's Fund group earned underwriting profit \$301,000, stockholders were informed by President Levison. Based on market values, policyholders' surplus increased \$825,000 to \$3,774,000, compared to \$2,949,000 in 1934. Total assets on market basis are \$6,377,000, compared to \$5,494,000 the previous year. Total net premiums last year were \$2,180,000.

## Springfield F & M Changes Titles

**J. C. Harding Is Made Resident  
Executive Vice-President  
at Chicago**

### LININGER VICE-PRESIDENT

**J. C. Dornin, E. G. Frazier, M. E.  
Peterson and Grant Bulkley All Are  
Given Official Recognition**

SPRINGFIELD, MASS., Feb. 12.—At the annual meeting of the Springfield Fire & Marine this week, changes were made in titles in the western department at Chicago and the Pacific Coast department at San Francisco. The western department has been in charge of Harding & Lininger as managers. John C. Harding now becomes resident executive vice-president and W. H. Lininger, resident vice-president. E. G. Frazier, assistant manager, was elected resident secretary and M. E. Peterson, superintendent of agencies in the west, was made its resident assistant secretary. John C. Dornin, Pacific Coast manager, becomes resident vice-president, and Grant Bulkley, deputy manager of the Pacific department, was made resident secretary.

#### Bowen a Michigan F. & M. Director

At the annual meeting of the Michigan Fire & Marine, C. C. Bowen, president of the Standard Accident of Detroit, was elected on the board to succeed his brother, Paul M. Bowen, who died late in the year. He also becomes a member of the executive committee.

The same official lineup follows in the Springfield F. & M. affiliates, Mr. Harding, Mr. Lininger and Mr. Dornin and their associates given the same official titles in the personnel of all companies.

The Sentinel and New England Fire will follow the same course. This changing of titles gives the department executives official status which has been found desirable with many companies.

#### Mr. Harding's Career

John C. Harding's father, the late A. J. Harding, for many years was western manager of the Springfield and, in fact, established the department. Before graduating at Princeton with the class of 1895, Mr. Harding was given temporary work in the western department which led later to him being regularly employed. He first served as inspector and after training with the inspection department of the Chicago Board and the Western Factory, he became inspector of sprinklered and improved risks in the Springfield's western department. Later he was appointed special agent in Wisconsin. He was called to the Chicago office in 1899 to take charge of the loss department and subsequently was appointed general adjuster. In due season he became superintendent of agents and in 1911 he was appointed assistant manager holding that office until Jan. 1, 1921, when he became one of the joint managers in the west. Mr. Harding is director of the United States Chamber of Commerce, he served as president of the Western Underwriters Association, is now chairman of its governing committee and has taken a prominent part in organization work.

#### Lininger Started as Farm Solicitor

Mr. Lininger started in the insurance business at Beatrice, Neb., March 31, 1885, becoming a farm soliciting agent for the Springfield. Later he was appointed special agent for southern Kan-

## Manhattan and Bronx Fire Premiums for 1935 Decrease

### SLIGHT DROP IS REPORTED

**Standing of the Leading Groups, Companies and Agencies Is Shown  
in Tabulation**

A loss of approximately 1 percent in fire premiums written in Manhattan and the Bronx in the full year 1935 is reported by the New York Fire Insurance Patrol.

The total shown was \$18,844,981, a reduction of 0.98 percent. There was improvement in the last half year, however, with a gain of about 0.43 percent. Standing of the leading companies and their comparative figures for the last three years is:

	1935	1934	1933
Home of N. Y.	\$920,684	\$894,271	\$975,829
Great Amer.	808,746	776,905	780,333
Continental	474,730	531,258	607,338
Coml. U. Eng.	398,485	354,785	317,987
Natl. Liberty	390,133	382,350	370,917
Amer. Equit.	336,844	342,369	321,364
Auto. of Hart'd	330,525	338,921	333,186
Niagara Fire	328,324	349,196	317,197
N. Brit. & Mer.	317,899	315,191	291,280
U. S. Fire	316,859	342,081	346,651
Ins. Co. N. Am.	307,986	304,389	293,690
L. & L. G.	306,694	289,646	349,742
Aetna Fire	259,963	253,357	263,750
Hartford Fire	252,703	271,961	271,192
First Amer.	251,350	288,569	106,385
Royal of Liverp.	234,489	253,455	249,296
Phoenix of Lon.	224,065	198,273	223,315
Lon. & Lanc.	223,610	239,631	259,070
Fire Assn.	220,225	219,602	202,363
Scott. U. & N.	213,607	195,291	176,141
St. Paul F. & M.	208,410	215,412	205,803
Pearl Assur.	207,596	255,255	145,507
Northw. Natl.	205,194	181,090	169,017
North River	202,628	223,512	253,060
Travelers Fire	202,236	217,638	196,202
Firemen's, N. J.	199,889	235,995	188,988
Amer. Eagle	199,620	187,086	123,729
Sun. Ins. Office	196,330	200,511	227,380
Natl. Hartford	193,434	206,466	199,353
City of N. Y.	193,281	187,405	183,392
Standard, N. Y.	187,387	159,066	147,064
Natl. Un. F. Pa.	179,935	175,118	171,524
Phoenix of Htd.	172,866	164,743	166,451
Fidelity-Phoenix	167,917	202,700	207,574
Am. of Newark	163,396	158,876	193,582
Sprgld. F. & M.	158,409	150,356	139,025
New York Fire	153,888	141,065	123,642
Westchester F.	151,907	146,778	149,199
Buffalo	145,746	173,535	129,813
Franklin, Phila.	143,513	156,335	161,106
Queen of Am.	142,903	151,913	157,537
Phila. F. & M.	142,326	164,208	192,971
Mer. of Amer.	135,549	127,893	112,723
Agricultural	130,661	127,261	122,977
Knickerbocker	129,375	133,509	109,861
Conc. of Milw.	126,975	143,612	146,600
Amer. Alliance	126,753	123,490	96,263
Fireman's Fund	123,145	86,243	93,458
Natl. Ben Flkn.	122,418	133,863	157,055
Star of Amer.	122,272	123,865	111,436
Mer. of N. Y.	117,002	115,260	108,136
Prov. Wash.	116,287	121,689	104,656
Georgia Home	111,600	121,114	57,568
Com'w'th. N. Y.	110,830	107,051	88,506
Glens Falls	108,931	102,745	100,051
Norwich Un. F.	104,767	114,728	113,829
Orient of Hartd.	102,250	101,909	104,898

(CONTINUED ON PAGE 31)

## President Bulkley Tells of the Year's Operations

### HE COMMENTS ON CONDITIONS

**President of the Springfield F. & M.  
Analyzes Some of the Features  
of 1935**

For many years the report of the Springfield Fire & Marine as to the year's operations has been a feature and President G. G. Bulkley has continued this interesting custom. The statement shows increase in assets \$3,770,357, in net surplus \$3,110,648, in net premiums \$274,999 and in premium reserve \$157,623. President Bulkley points out that the favorable results reflect the absence of conflagrations and the otherwise low burning ratio in the country. It is not expected that this experience will continue but that there will be a swing back to what might be termed a more normal ratio. On account of the favorable loss experience, pressure will be brought to bear for lowering of rates and this should be watched. Stock fire insurance has been on the alert to recognize improved fire protection and superior building construction. The average rate per \$100 on fire risks in the United States over a 10 year period shows a reduction of about 27 percent.

#### May Create Unsettled Conditions

President Bulkley warns all in the business that there is a tendency on the part of some underwriters to disregard sound principles and to resort to practices which are liable to create unsettled conditions.

President Bulkley states that 58.1 percent of the stockholders of the company are women, trustees, executors and administrators of estates, minors and guardians for minors, churches, hospitals, charitable and educational institutions. The premium increase was 2.47 percent. The incurred losses show a decrease of \$368,740. Irrespective of this experience the Springfield is gauging its underwriting on the basis of a higher loss expectancy. The payment for taxes represent 5.93 of the total premium volume. The situation in connection with collection of agents' balances continues to show improvement. With a larger premium volume the overdue agents' balances show a decrease of \$75,778. The trade credit last year was \$1,564,343, or 13.71 percent. The underwriting credit was \$1,406,718 or

(CONTINUED ON PAGE 31)

## Tentative Motor Carrier Proposals

**Commerce Commission Agency  
Drafts Suggested Insurance  
Rules and Regulations**

### CRITICISMS ARE FILED

**Statutory Underwriters Bureau Takes  
Exception to Recommendations—  
Mutuals, Reciproals Barred**

Insurance people are interested in the recommendations for rules and regulations governing motor carriers under the 1935 act, which the bureau of motor carriers of the Interstate Commerce Commission has tentatively adopted. These recommendations have not yet been considered by the commerce commission. The bureau of motor carriers solicited criticisms and comments of motor carriers and freight brokers and asked that such criticism be filed before Feb. 15.

The tentative recommendations provide that the applicant for certificate or permit as a common or contract motor carrier must file with the commerce commission a satisfactory certificate of insurance or must qualify as a self-insurer covering personal injury liability and loss or damage to property of others.

#### Limits of Liability Suggested

Motor vehicles in passenger service having a seating capacity of 12 or less must have insurance or self-insurance on account of personal injury liability in limits of \$10,000/\$50,000 and \$5,000 property damage.

For motor vehicles seating 13-20 people, the suggested P. L. limits are \$10,000/\$75,000 and \$5,000 property damage.

For those seating from 21-30, the proposed limits are \$10,000/\$85,000 public liability and \$5,000 property damage.

For those seating 31 or more, the proposed limits are \$10,000/\$100,000 and \$5,000 property damage.

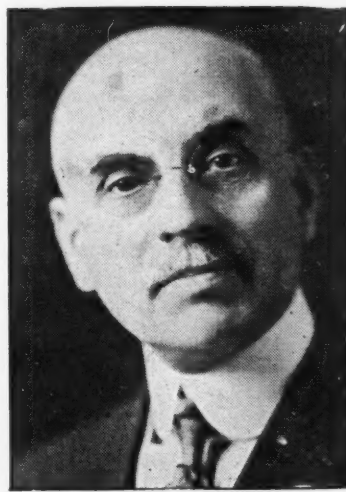
For freight carriers, the suggested limits are \$10,000/\$25,000 public liability and \$5,000 property damage.

(CONTINUED ON PAGE 31)

## NEW TITLES IN SPRINGFIELD F. & M. FAMILY



**JOHN C. HARDING, Chicago**  
Resident Executive Vice-President



**WILLIAM H. LININGER, Chicago**  
Resident Vice-President



**JOHN C. DORNIN, San Francisco**  
Resident Vice-President



## Texas Centennial Fair Has a Model Insurance Setup

### FRANKLIN FIRE WRITES COVER

**Blanket Policy Features Reduced Premium Costs and Simplified Means of Keeping Values**

Inquiries from insurance companies, agents and exposition officials in many states indicate that the insurance set up of the Texas Centennial Central Exposition in Dallas, may become a model for future world's fairs, according to C. E. Turner, its director of finance. Reduced premium costs and simplified means of keeping insurance values are features of the Centennial's blanket policy providing fire, civil commotion and riot, windstorm and hail protection written in the Franklin Fire. By agreement with this company, it was decided that the Franklin pass this insurance on to other companies to the extent they might desire to participate without requirement of reinsurance costs. This plan avoids the necessity of scattered dealings with many different companies and simplifies adjustment in the event of loss.

The Centennial committee of supervision and direction appointed the Seay & Hall, Charles L. Dexter & Co., and W. R. Ellis agencies as an insurance advisory committee, which designated Eric C. Gambrell, past president of the Dallas Insurance Agents Association, as its representative to handle all details and to maintain an office on the Centennial grounds.

#### Work Out Plan

The advisory committee, with Mr. Gambrell, C. E. Turner, director of finance, W. N. Herzog, assistant director of finance, and Raymond S. Mauk, fire insurance commissioner of Texas, worked out the insurance plan. The master policy covers all fire risks including all exhibits, works of art and whatever may be brought into the Texas Centennial grounds for which the Centennial corporation is responsible, such as the ranger participation, and exhibits in the Museum of Natural History.

Compensation, casualty and fidelity insurance will be handled in a similar manner. The insuring companies on compensation will provide, at their own expense, hospitalization, first aid and ambulance service. In the hospitalization doctors and graduate nurses will be maintained at no expense to the Centennial, and two ambulances will be provided at all times.

#### Coverage Increased

When the insurance plan was inaugurated the Centennial bought \$760,000 each for fire and civil commotion and riot, or 80 percent of the original insurable values of its buildings and \$475,000 for windstorm and hail, or 50 percent of the insurable value. This has steadily increased as buildings are being built and when the Centennial opens June 6, the fire coverage will be around \$4,000,000 and the windstorm and hail about \$2,000,000.

The advisory committee will retain 5 percent of all premiums to meet the operating costs. The balance of the commissions will be divided equitably among the local agents of Dallas as the director of finance may determine. Thus the Dallas agents will participate in these commissions in lieu of the business they might have obtained if the Centennial had chosen to deal with each one separately.

#### Iowa Tax Paying Date Changes

All non-Iowa authorized insurance companies transacting business in that state have been notified by the Iowa insurance department of a change in the time of payment of the state premium tax to not later than March 1.

## Insurance Big Credit Factor

### INSURANCE STATEMENT

OF

TO

(Form adopted and recommended by National Association of Credit Men)

This statement is submitted to you to supplement our financial and (or) property statement in order that you may accurately judge my (our) insurance coverages for the purpose of extending credit accommodation.

- (1) Total Fire Insurance carried \$\_\_\_\_\_ On merchandise \$\_\_\_\_\_ On buildings \$\_\_\_\_\_ On machinery, fixtures and other equipment \$\_\_\_\_\_. Blanket Fire Insurance (machinery, fixtures and merchandise) \$\_\_\_\_\_. What percentage of total value are you required to carry by terms of policy (co-insurance)? \_\_\_\_\_ Present replacement value (new) of machinery, fixtures and other equipment insured \$\_\_\_\_\_ Present replacement value (new) of merchandise insured \$\_\_\_\_\_ Date of last appraisal \$\_\_\_\_\_ which showed total insurable or depreciated value of machinery, fixtures or other equipment of \$\_\_\_\_\_. List companies with which you carry Fire Insurance, and amounts with each (enter details on reverse side).
- (2) Do you carry Business Life Insurance? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_ Name of beneficiary \_\_\_\_\_ Is accident protection provided? \_\_\_\_\_ How much have you borrowed on Life Insurance? \$\_\_\_\_\_ Describe special agreements, if any, covering disposition of principal of policies \_\_\_\_\_
- (3) How much, if any, insurance is assigned or payable to third party? \$\_\_\_\_\_ If so, state kind and to whom assigned or payable \_\_\_\_\_
- (4) Do you carry Fidelity Bonds? \_\_\_\_\_ On what officers or responsible employees? \_\_\_\_\_ Are Bonds Position, Scheduled or Blanket? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_
- (5) Do you carry Workmen's Compensation and Public Liability Insurance? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_
- (6) Have you Liability Insurance on automobiles used in your business? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_ Do you insure automobiles used by salesmen or other employees? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_
- (7) Are elevators insured for Public Liability? \_\_\_\_\_ For what amount? \$\_\_\_\_\_ Company \_\_\_\_\_
- (8) Is Business Interruption Insurance carried? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_
- (9) Is leasehold interest insured? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_
- (10) Do you insure against: (a) Windstorm or Tornado? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_ (b) Riot, Civil Commotion and Explosion? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_ (c) Steam Boiler (Explosion)? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_ (d) Explosions? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_
- (11) Is building equipped with sprinklers? \_\_\_\_\_ State system \_\_\_\_\_ Do you carry Sprinkler Leakage Insurance? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_
- (12) Are you protected by Check Alteration or Forgery Insurance? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_ Is Burglary, Pay Roll, or Hold-up Insurance carried? \_\_\_\_\_ Amount \$\_\_\_\_\_ Company \_\_\_\_\_
- (13) Do written portions of all policies covering the same property read exactly alike? \_\_\_\_\_ (If not, describe exceptions on reverse side of this form) Has a survey of your property and insurance requirements been made and approved by insurance experts? \_\_\_\_\_ If so, give details and date \_\_\_\_\_
- (14) How much property have you belonging to others for which you are responsible or have assumed liability? \$\_\_\_\_\_ How is such property insured? \_\_\_\_\_
- (15) What other insurance, if any, do you carry? (Include amounts and companies) \_\_\_\_\_

The foregoing statement has been carefully read by the undersigned (both the printed and written matter), and is in all respects complete, accurate and truthful. It discloses to you the true state of my (our) insurance coverages on the \_\_\_\_\_ day of 19\_\_\_\_. Since that time there has been no material unfavorable change in my (our) insurance coverages; and if any such change takes place I (we) will give you notice. Until such notice is given, you are to regard this as a continuing statement.

Address \_\_\_\_\_ Town \_\_\_\_\_ State \_\_\_\_\_  
Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_  
Business engaged in \_\_\_\_\_  
(Name of Firm or Corporation) \_\_\_\_\_  
Signed by \_\_\_\_\_

21M 5-33

The increasing importance which credit men generally are attaching to the insurance situation of their customers is indicated in the insurance statement which the National Association of Credit Men now recommends that all its members require of their customers. The statement, shown in the above column, was made public by Don C. Campbell, credit manager of the western department of the America Fore group. Mr. Campbell is chairman of the insurance group of the National Credit association and also chairman of the insurance committee of the Chicago Association of Credit Men.

Insurance men will be interested in noting that among the forms of insurance on which applicants for credit are being questioned are a number of lines which are not generally carried and which have been the object of considerable sales effort on the part of insurance companies. Fidelity bonds, windstorm, steam boiler, check alteration and forgery and use and occupancy are in this class.

#### Credit Men Handle Insurance

In answering the objection sometimes voiced that the credit man is not qualified to know the forms of cover necessary to protect his customers properly, Mr. Campbell points out that the survey of insurance practices conducted by the National Association of Credit Men showed that out of the 22,500 members, 84 percent buy their own firm's insurance. The credit man, according to Mr. Campbell, therefore, is not only qualified to judge the insurance protection of a customer, but he is the logical person to do so, since a customer's insurance situation is inextricably interwoven with his standing as a credit risk.

"When a man extends credit to a merchant on open account," states Mr.

Campbell, "he is going through the identical process as a banker in making a loan. He is lending the merchant so much of his firm's capital and as such should be entitled to as sound protection as the banker requires.

"It is apparent, with changing times and conditions, that adequate fire insurance alone is not sufficient. The tremendous annual loss to business is occasioned, besides fire, by explosion, public liability, judgments, robbery, embezzlement of employees, etc. It follows that the credit man should be fully apprized of the coverage carried by his customer before he extends any sizeable credit."

#### No Fight on Forms

Mr. Campbell also stated that the insurance group of the National Association of Credit Men has never in any way advocated the changing of any forms of policies and has not indulged in any underwriting suggestions or criticisms, nor does it intend to do so. The purpose of requiring insurance statements is simply to find out whether applicants for credit are properly protected against loss under present available coverages and eventually to insist that they be so covered as a condition precedent to securing credit.

#### Brown Named Deputy

FRANKFORT, KY., Feb. 12.—Charles I. Brown, Frankfort, has been appointed deputy insurance commissioner by Governor Chandler. Mr. Brown, who has been with the insurance department several years, acted as insurance commissioner under Governor Chandler until the appointment of J. Dan Talbott as commissioner.

The Fire Underwriters Association of St. Louis plans to celebrate its 20th anniversary with a dinner dance April 11.

## Feature Stock Services and Maintain Rates, Says Herd

### JUSTIFY PREMIUM DOLLAR

**Fire Association Vice-president Warns  
F. U. A. P. Against Meeting  
Competition on Rates**

Stock companies were urged to play up the trade services which they offer at considerable expense and to adhere to orthodox rating by J. Victor Herd, vice-president Fire Association, in a paper read before the annual meeting of the Fire Underwriters Association of the Pacific. Stock companies have been negligent about making intelligent and comprehensive presentations of the superiority of organized stock companies' protection. They should show how much more the organized stock company's premium dollar is buying over and above sheer indemnity. The public should be informed regarding the service expenditures which appear to be uneconomic expense on the surface. This should be used in explaining the organized stock companies' expense ratio.

#### Competitive Question

Following the years of extreme uncertainty because of operating and financial conditions, the last three years have produced abnormally good returns for fire companies, due principally to reduced burning costs. "Today we are threatened by difficulties within our own ranks and beset by intensified competition of non-board or non-tariff companies. Organization companies must stand four-square in resisting the temptation to cut corners in their own operations and in meeting the attacks of the irresponsible competitor. Already there is evidence of an upward trend in loss claims. It started about four months ago and where it will level off is the question perhaps uppermost in the minds of all of us today.

#### Caution to the Winds

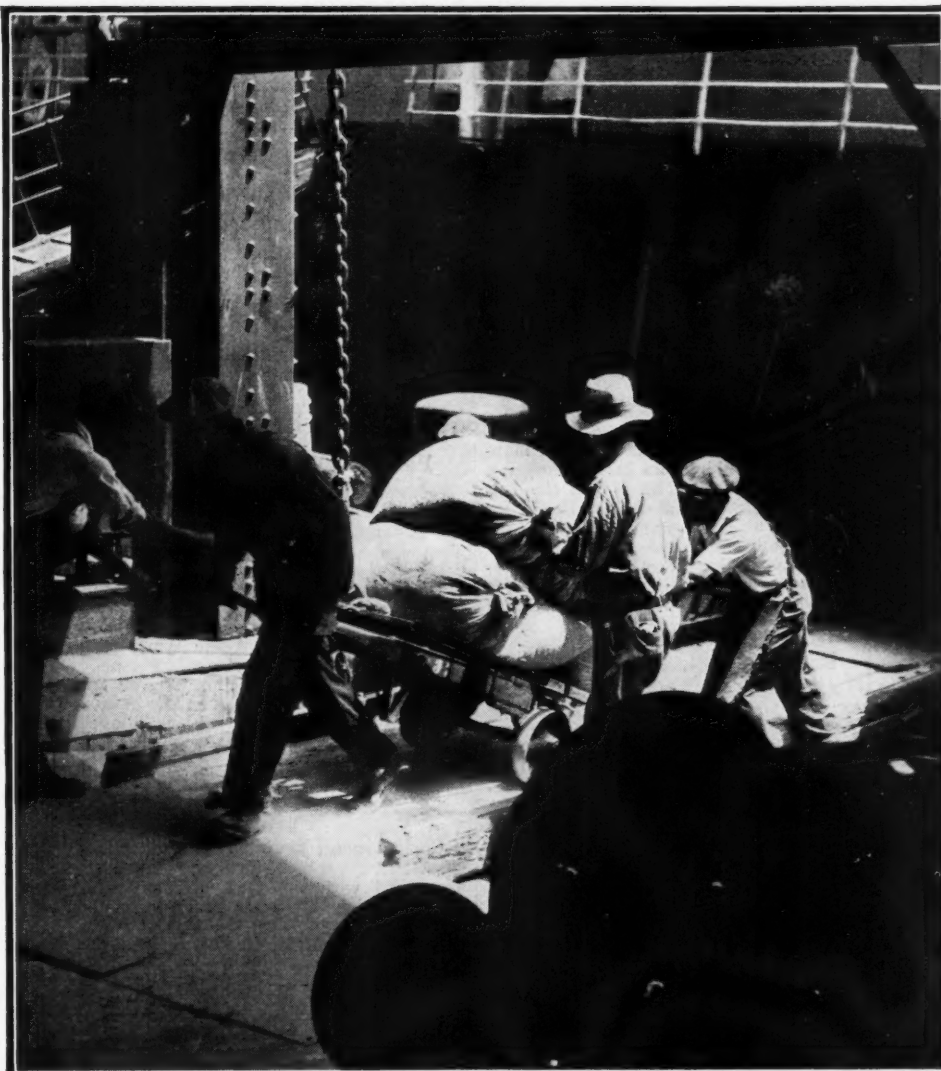
"We have certain companies throwing underwriting caution aside in a wild scramble for premiums. Unless all precedent is worthless, the present cycle will, by natural processes, again turn to either a normal loss experience or probably an abnormally high loss cost. It is painful to stand by and see desirable business taken from our books through a type of guerrilla warfare, but certainly it is better to maintain orderliness in the business than to advocate open retaliation or even permit the constructive safeguards which have been built up in our business amongst the organization companies to weaken. The average rate for protection we have been selling has been steadily lowered, and without doubt, orderly rate adjustments by organization companies will continue to result in a steadily lowering rate level as building construction, protection, intelligent fire prevention and arson prosecutions and convictions continue.

#### Should Be Deliberate

"We owe it to ourselves to review intelligently and deliberately every individual unorthodox request coming before us which, if granted, generally would weaken our structure or perhaps destroy it and do nobody good, not even the insuring public."

On the Pacific Coast it is especially imperative that the underwriting division put its affairs in order for the fire threat might suddenly take concrete form over a wide area involving two or more congested communities. For this threat certainly the companies ought to be collecting a somewhat larger volume of premium on the Coast than elsewhere. Certain operators have thrown this consideration aside and only time will tell whether it was wise or unwise, said Mr. Herd.





## "TRUCKIN' "

WE don't pretend to keep up on the latest Harlem song and dance crazes like "Truckin'" but we do keep informed on industrial and business changes which call for special forms of insurance protection.

Many of your prospects will always think first of the Aetna Fire Group when they need reliable insurance protection adapted to modern conditions.

Agents and brokers who follow suit and think first of the Aetna when something a little out of the ordinary comes up are certain of giving their clients complete satisfaction and unquestioned security.

THE AETNA FIRE GROUP - HARTFORD, CONN.

AETNA INSURANCE COMPANY - THE WORLD FIRE AND MARINE INSURANCE CO.  
THE CENTURY INDEMNITY COMPANY - PIEDMONT FIRE INSURANCE COMPANY

## NEWS OF FIELD MEN

### Federation Head in Appeal

**Wadsworth Urges at Syracuse Field Club Meeting Need of Joining Constructive Work**

Harry H. Wadsworth, president Wadsworth & Olmstead, Syracuse local agency, and president Insurance Federa-



HARRY H. WADSWORTH

tion of America, in a talk before the Syracuse Field Club outlined the work the federation is doing. He emphasized the good work accomplished in cooperation with the New York State Association of Local Agents and other organizations in the fight against monopolistic compensation legislation. The bill was defeated after bitter opposition by companies and agents.

As a safeguard against future adverse legislation and to secure constructive laws, he suggested that all persons dependent on the insurance business for a livelihood should join the federation and actively support its principles.

#### Pay Tribute to Posthill

A large number of members turned out for the weekly luncheon to say farewell to their colleague, T. W. Posthill, special agent Great American group, who has been transferred to western New York, with headquarters in the Union Trust Building, Rochester. W. T. Bessant, formerly special agent and now staff adjuster Great American group in New York state, paid him tribute. A desk set was presented to Mr. Posthill. He is a graduate of Syracuse University, who went with the New York Fire Insurance Rating Organization where he was employed for six years, during four in charge of the re-rating depart-

ment. Then he was service engineer Aetna Fire group for three years, and state agent World F. & M. supervising New York state. In 1932 he became special agent Great American group in central New York with headquarters in Syracuse.

#### L. D. Anderson Resigns

Leo D. Anderson, special agent of National Union for the last several years in western Michigan with headquarters at Grand Rapids, is resigning. He is not prepared to announce his future plans but possibly will engage in the local business in the not distant future.

#### Stockmier Named by L. & L.

A. J. Stockmier has been appointed special agent covering southern California territory for the London & Lancashire succeeding the late veteran, J. P. Yates, for many years resident manager with headquarters in Los Angeles. Mr. Stockmier has been with the Los Angeles office of the Pacific Board for 12 years, after serving in the head office in San Francisco. During the past two years he has been in charge of relief in southern California territory for the board in addition to serving as chief examiner.

#### Made Atlanta General Agent

ATLANTA, Feb. 12.—James A. Harvey, state agent for the Corroon & Reynolds group in Georgia, has resigned to become general agent here for the National Security Fire of Omaha, one of the North America group. Mr. Harvey has traveled Georgia and South Carolina for many years, having been special agent for the Norwich Union, and superintendent of the former agency of Rhett, O'Bierne and Lochridge, some years back.

#### Ohio Blue Goose Frolic

The annual business meeting and dinner party of the Ohio Blue Goose in Cleveland was attended by about 175 field men from throughout the state. The business meeting was held in the afternoon and was followed by the initiation of three new members, they being J. W. Corrington, independent adjuster of Cleveland; K. D. Jackson, of the Western Adjustment in Toledo, and P. B. Cadman, automobile special agent for the Royal at Cleveland.

The banquet was followed by a two hour show, the Blue Goose Follies, which made a hit.

E. O. Pierce, St. Paul F. & M., captured a registered Scottie dog as a prize and K. J. Hoag, Fireman's Fund, left with a black and tan terrier.

E. E. Heasley, Jr., Cleveland manager of the Underwriters Adjusting, was in charge of entertainment. W. E.

Gable, Columbus manager of the Underwriters Adjusting, is most loyal gander.

#### Georgia Fieldmen Meet

ATLANTA, Feb. 12.—The Georgia Fieldmen's Conference held their regular monthly meeting here this week. The session was taken up by routine business and by the reading of reports by committees.

#### Field Changes in Texas

W. P. (Buddy) Nabors has been appointed special agent for the Home of New York group, supervising the southeastern part of Texas with headquarters in the Electric building at Houston. For the last two years he has had charge of the Tokio and Standard of New York in Texas and Oklahoma with headquarters at Dallas.

General Agent D. D. McLarry of the Home announces that Special Agent A. M. Prater has been transferred from the Panhandle section of Texas and will have headquarters in the same office at Houston with Mr. Nabors, supervising the central south Texas field.

#### Pennsylvania Special Agents

Subsequent to the resignation of Philip G. DeHuff, special agent American Alliance and Massachusetts Fire & Marine in eastern Pennsylvania, to engage in other business, the Great American has divided his companies between two other special agents of the group. Under the new arrangement, Elston G. Wickham will represent the American Alliance and P. C. Chrusler will be special agent for the Massachusetts Fire & Marine. Both men will have their headquarters in the Telegraph building, Harrisburg, Pa.

#### Schooley With the Central

The Central Manufacturers Mutual of Van Wert, O., has appointed O. J. Schooley special agent in Kansas, Missouri and Nebraska. He was formerly associated with the Ohio Brass Company and the Mansfield Tire & Rubber Co. of Mansfield, O. He will enlarge the Central Manufacturers plant in those states.

#### Mountain Field Club Banquet

MANCHESTER, N. H., Feb. 12.—The fifth annual meeting of the Mountain Field Club Thursday evening of this week will take the form of a banquet at which time the officers of the New Hampshire Association of Insurance Agents will be guests of the field men.

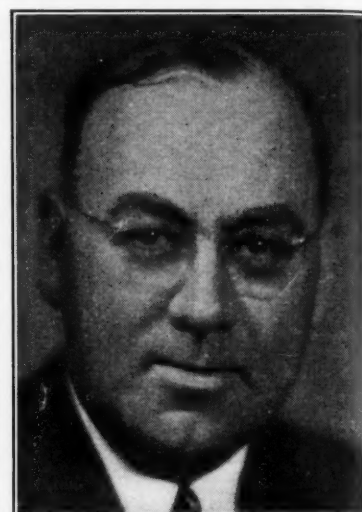
#### Field Notes

Franklin Wulff, San Francisco financier, spoke to the San Francisco Blue Goose on "Investments."

The inspection of Leon, Ia., scheduled for Feb. 11, has been postponed by the Iowa State Fire Prevention Association to April 21. The inspection of Sioux City is scheduled for March 18-20.

The Memphis, Tenn., fire department in a special campaign made an inspection of 48,000 dwellings during the year.

### Insurance Man Seeking Lieutenant Governorship



GEORGE HATZENBUEHLER, Bloomington, Ill.

George Hatzenbuehler of Bloomington, Ill., chairman of the board of directors of the Modern Woodmen of America, the well-known fraternal of Rock Island, Ill., has announced his candidacy for the Republican nomination for lieutenant governor. Mr. Hatzenbuehler is a man of splendid reputation throughout the state and is held in high esteem by those who come in contact with him. He was born on a farm near Loda, Ill., 50 years ago and for the last 28 years he has been engaged in general insurance work. He has been one of the big factors in the Modern Woodmen and through its organization has come in contact with policyholders throughout the state. He has a wide acquaintance among insurance folks. He is well versed in the business and believes in it. Mr. Hatzenbuehler, in announcing his candidacy, declares his opposition to the advanced New Deal policy at Washington and declares that government should not interfere with private business so long as private business can take care of conditions confronting it. He believes the government should retire from business interference.

### R. E. Metzger Is Ohio State Agent of Reliable of Dayton

DAYTON, O., Feb. 12.—Secretary W. F. Kramer of the Reliable Fire of Dayton announces the appointment R. E. Metzger of Columbus as Ohio state agent. He was formerly Ohio state agent for the Western & Southern Fire. Before that he was in the Ohio field for the Fireman's Fund. He started in the Ohio Inspection Bureau and before entering the field was superintendent of the Columbus office of the inspection bureau. His headquarters are at 162 East Dunedin Road, Columbus.

H. J. Favorite, who has been connected with the Reliable Fire for a number of years, will continue to supervise a portion of the Ohio field.

#### Heads Fargo, N. D., Agents

FARGO, N. D., Feb. 12.—S. G. Mason of Warner & Co. was named to succeed John Eyer of Cosgriff & Clemens as president of the Insurance Agents Association of Fargo at the annual meeting here. Other officers are Clayton Berdahl of the C. C. Pitsch agency, vice-president; John Oliver of W. J. Lane company, secretary.

T. A. Avril and M. W. Parker of Denver; E. G. Eldredge of Salt Lake City and P. F. Kingsley of Albuquerque, Fireman's Fund special agents, have returned to their headquarters following a conference at the head office in San Francisco.

## FIGURES FROM DECEMBER 31, 1935 STATEMENTS

	Assets	Change in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dep.	Surplus	Changes in Surplus	Losses Paid	Net Prem.	Loss Ratio
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Aetna Fire	47,670,226	+3,680,793	16,234,049	+229,847	7,500,000	17,949,363	+2,272,120	16,785,403	5,920,857	35.2
Agricultural	13,536,897	+1,778,269	4,960,261	+83,889	3,000,000	4,411,042	+1,699,667	5,083,993	1,933,185	33.2
American Fire & Cas.	256,502	+16,774	112,591	+1,597	72,859	29,472	+18,275	224,154	81,560	26.0
American General	1,310,186	+271,511	307,025	+81,243	400,000	425,112	+141,583	549,723	175,776	31.9
Birmingham Fire, Pa.	1,015,751	+125,516	71,180	+6,010	300,000	605,002	+92,980	62,025	8,080	13.2
Charter Oak Fire	1,207,979	.....	.....	.....	500,000	707,779	.....	.....	.....	.....
Empire State	3,182,521	+325,340	573,222	+36,947	1,000,000	1,535,036	+287,961	552,882	179,483	32.4
Farmers' Fire	2,920,830	+180,370	729,131	-3,432	.....	2,006,975	+187,655	648,222	241,276	37.0
First Nat'l. Wash.	426,615	-33,366	.....	.....	250,000	175,879	-30,845	.....	.....	.....
General of America	11,799,157	+2,867,449	4,536,897	+922,693	1,000,000	4,043,085	+1,285,429	5,113,909	1,471,302	29.0
Great Eastern	676,539	+37,918	63,136	+3,378	250,000	355,494	+32,253	61,077	16,492	17.0
Inter-Ocean Reinsur.	14,977,983	+692,148	2,285,706	+314,368	500,000	1,484,799	+241,605	2,481,719	721,832	29.0
Nat'l Union Fire	15,258,920	+1,428,910	6,233,324	+954	1,100,000	5,318,167	+766,872	6,108,553	2,462,951	40.3
Piedmont Fire	1,956,823	+934,937	312,102	+34,074	1,000,000	603,900	+92,169	368,141	112,455	30.5
Prudential, Okla.	166,927	-1,746	.....	.....	100,000	60,759	-10,340	169,782	.....	.....
Republic, Tex.	7,508,772	+1,113,541	2,046,324	+173,297	2,000,000	2,583,797	+555,803	2,067,624	496,476	23.9
Travelers Fire	21,339,753	+2,866,637	10,908,226	+674,429	2,000,000	4,221,725	+1,662,882	10,542,252	3,110,840	29.5
World Fire & Marine	5,081,913	+262,424	988,277	-45,374	1,000,000	2,881,590	+314,568	1,059,207	416,950	39.3

\*New company.

\*\*10) percent reinsured by General of America.

†On the basis of market quotations admitted assets would be increased to \$5,009,785, and the net surplus to \$1,516,601.

‡All reinsured.

†Mutual—cash non-assessable plan.



# -as sturdy as the Adirondack hills



SOME seventy-seven years ago there was created the Commerce Insurance Company. Its organization in 1859 was based on the spirit of the times that business should be transacted in a careful manner. The major consideration of the founders was safety—safety to policyholders, to agents and to stockholders. . . . The pioneer who ventured the insuring of his property and the agent who ventured his reputation by representing the infant company had never a cause to regret it. • And down through the years the Commerce has continuously protected "the ventures" of those with whom it does business. It has always been a strong and dependable company—writing fire and practically all of its allied lines. An examination of its condition today will assure you that it is as sturdy as the Adirondack hills which surround it.



**COMMERCE**  
Insurance Company

of GLENS FALLS, NEW YORK.





## NEWS OF THE COMPANIES

### B. L. Hewett Is Vice-President

**Boston and Old Colony Promote Western Department Men and Automobile Division Manager**

BOSTON, Feb. 12.—The Boston and Old Colony at their annual meetings elected Bertram L. Hewett, western department manager, a vice-president; Earl Gibbs, assistant manager of the western department, an assistant secretary; and J. Louis Ivison, manager of the automobile department at the home office also an assistant secretary.

Mr. Hewett has been with the company since 1903, having served as assistant manager of the western department at Lansing, Mich.; manager and co-manager from 1918 to 1929 and sole manager since that time.

Mr. Gibbs came originally from Oklahoma and was formerly field man for the Boston and Old Colony in Ohio, later coming to the home office as assistant manager of the automobile

department. In 1929 he went to Lansing as assistant manager of the western department.

Mr. Ivison is a native of Boston and has been with the company since 1905. His first work was in the fire department as examiner and then chief examiner, then special agent for New England, becoming assistant manager of the automobile department and manager in 1921. He is a member of the executive committee of the eastern branch of the National Automobile Underwriters Association.

### Great American Figures Out

**Some of the High Points in the Annual Financial Statement of the Group of Companies**

The Great American group has issued the annual statement of the constituent companies. The Great American shows assets \$47,112,059, of which \$13,104,931

is bonds, \$29,226,934 is stocks, \$1,857,249 cash. Its premium reserve is \$13,388,052, capital \$8,150,000, net surplus \$23,196,208. A year ago its assets were \$41,269,819, premium reserve \$13,362,322, net surplus \$17,228,127.

The American Alliance has assets \$8,856,775, premium reserve \$1,898,615, capital \$3,000,000, net surplus \$3,653,137.

The American National Fire shows assets \$1,074,130, capital \$500,000, net surplus \$568,630.

The County Fire has assets \$2,483,655, premium reserve \$506,377, capital \$1,000,000, net surplus \$884,074.

#### Detroit F. & M. Figures

The Detroit Fire & Marine shows assets \$3,940,316, premium reserve \$811,319, capital \$1,000,000, net surplus \$1,779,593.

The Massachusetts Fire & Marine shows assets \$2,614,834, premium reserve \$431,859, capital \$1,000,000, net surplus \$1,088,068.

The North Carolina Home's assets are \$1,142,961, capital \$500,000, net surplus \$636,961.

The Rochester American shows assets \$3,664,739, premium reserve \$811,319, capital \$1,000,000, net surplus \$1,704,712.

The Great American Indemnity has

assets \$12,396,674, as compared with \$10,306,722 a year ago. Its premium reserve is \$3,290,383 as compared with \$2,880,361. Its loss reserve is \$4,706,807, as compared with \$3,212,672, capital \$1,000,000, net surplus \$2,835,222, as compared with \$2,841,747.

### Last Year's Results Given

**Extracts from the Annual Figures of the Companies in the Royal-Liverpool Groups**

The Royal-L. & L. & G. groups give a summary of their underwriting and expense items for the year, as follows:

ROYAL			
Net prem....			\$8,684,561
Losses inc....	\$3,012,754	34.69	
Adjust. exp....	255,428	2.94	
General exp....	4,449,918	51.24	7,718,100
Trading gain..		11.13	966,461
Inc. in unearn..		1.29	111,756
Underw. gain..		9.84	\$ 854,705
QUEEN			
Net prem....			\$6,828,893
Losses inc....	\$2,427,801	35.55	
Adjust. exp....	203,409	2.98	
General exp....	3,407,813	49.90	6,039,023
Trading gain..		11.57	789,870
Inc. in unearn..		.62	42,283
Underw. gain..		10.95	\$ 747,587

NEWARK			
Net prem....			\$2,950,909
Losses inc....	\$1,022,761	34.66	
Adjust. exp....	89,009	3.02	
General exp....	1,488,840	50.45	2,600,610
Trading gain..		11.87	350,299
Inc. in unearn..		1.04	30,763
Underw. gain..		10.83	\$ 319,936

AMERICAN & FOREIGN (Fire)			
Net prem....			\$ 763,915
Losses inc....	\$ 260,689	34.13	
Adjust. exp....	22,756	2.98	
General exp....	391,285	51.22	674,730
Trading gain..		11.67	89,185
Inc. in unearn..		1.37	10,468
Underw. gain..		10.30	\$ 78,717

L. & L. & G.			
Net prem....			\$8,488,023
Losses inc....	\$2,909,631	34.28	
Adjust. exp....	253,096	2.98	
General exp....	4,306,712	50.74	7,469,439
Trading gain..		12.00	1,018,584
Inc. in unearn..		1.35	114,755
Underw. gain..		10.65	\$ 903,829

STAR			
Net prem....			\$1,698,283
Losses inc....	\$ 608,400	35.83	
Adjust. exp....	51,156	3.01	
General exp....	847,678	49.91	1,507,234
Trading gain..		11.25	191,049
Inc. in unearn..		1.14	19,305
Underw. gain..		10.11	\$ 171,744

FEDERAL UNION			
Net prem....			\$ 623,142
Losses inc....	\$ 241,505	38.76	
Adjust. exp....	19,128	3.07	
General exp....	300,147	48.17	560,780
Trading gain..		10.00	62,362
Inc. in unearn..		.73	4,571
Underw. gain..		9.27	\$ 57,791

CAPITAL			
Net prem....			\$ 114,427
Losses inc....	\$ 33,295	29.10	
Adjust. exp....	2,782	2.43	
General exp....	59,834	52.29	95,911
Trading gain..		16.18	18,516
Inc. in unearn..		1.76	2,011
Underw. gain..		14.42	\$ 16,505

ALL COMPANIES COMBINED			
Net prem....			\$30,152,153
Losses inc....	\$10,516,836	34.88	
Adjust. exp....	896,764	2.97	
General exp....	15,252,227	50.59	26,665,827
Trading gain..		11.56	3,486,326
Increase in unearned..		1.11	335,912
Underw. gain		10.45	\$ 3,150,414

### American's Annual Showing

The American of Newark shows assets \$28,962,525 of which \$2,692,878 are federal bonds, \$17,108,487 other bonds, \$1,604,163 cash, \$4,308,911 real estate. Its premium reserve is \$11,486,213. It carries \$363,208 reserve for real estate depreciation and \$300,000 special re-

## COURTEOUS

## EFFICIENT

Since 1849



# The SPRINGFIELD GROUP OF FIRE INSURANCE COMPANIES

Geo. G. Bulkley, President

SPRINGFIELD FIRE & MARINE INSURANCE CO.	SPRINGFIELD, MASS.
CONSTITUTION DEPARTMENT	SPRINGFIELD, MASS.
SENFEL FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.
MICHIGAN FIRE & MARINE INSURANCE COMPANY	DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY	PITTSFIELD, MASS.

# PUBLIC ENEMY

## No 10

# Marine Disaster

### COMMON ENEMIES TO GUARD AGAINST

- |             |                  |
|-------------|------------------|
| 1 FIRE      | 9 LIGHTNING      |
| 2 MOTOR     | 10 MARINE        |
| ACCIDENT    | DISASTER         |
| 3 WINDSTORM | 11 RAILROAD      |
| & TORNADO   | WRECK            |
| 4 PERSONAL  | 12 FALLING       |
| ACCIDENT    | AIRCRAFT         |
| 5 SICKNESS  | 13 EXPLOSION     |
| 6 DAMAGE    | 14 RIOT or CIVIL |
| CLAIMS      | COMOTION         |
| 7 BURGLARY  | 15 EARTHQUAKE    |
| 8 ROBBERY   | 16 FORGERY       |
|             | 17 DISHONESTY    |



The sea is an arch deceiver. Sunlit and shimmering with gorgeous colors she appears a pleasure pond for our giant liners. Yet, how swiftly this peaceful aspect can be lashed to fatal fury.

Hurricanes, icebergs, fogs, rocks, reefs, fire and explosion continue to take their toll of our mightiest vessels. Insurance is the only financial safeguard against Marine Disaster.

Shipmasters love the sea but never trust her! When she smiles her beauty is wonderful but when storms rage and the demons of destruction take the helm the bravest tremble before her might!

## LOYALTY GROUP

Firemen's Insurance Company of Newark, New Jersey - ORGANIZED 1855

The Girard Fire & Marine Insurance Co. ORGANIZED 1853  
 The Mechanics Insurance Co. of Philadelphia " 1854  
 Superior Fire Insurance Company " 1871  
 The Metropolitan Casualty Insurance Co. of N.Y. " 1874

### WESTERN DEPARTMENT

844 RUSH STREET, CHICAGO, ILLINOIS

### CANADIAN DEPARTMENT

451 BAY STREET, TORONTO, CANADA

### EASTERN DEPARTMENT

10 Park Place  
 Newark, New Jersey

Milwaukee Mechanics' Insurance Company ORGANIZED 1852  
 National-Ben Franklin Fire Insurance Co. " 1866  
 The Concordia Fire Insurance Co. of Milwaukee " 1870  
 Commercial Casualty Insurance Company " 1909

### PACIFIC DEPARTMENT

220 BUSH STREET, SAN FRANCISCO, CAL.

### SOUTH-WESTERN DEPT.

912 COMMERCE STREET, DALLAS, TEXAS





# Indemnity Insurance Company of North America

PHILADELPHIA

CAPITAL \$1,000,000

•  
**Casualty  
Fidelity  
Surety**  
•

Unquestioned Financial Stability

Unique, Convenient Policies

Complete, Efficient Service

All Modern Coverages

•  
*Combination Automobile Policy, Combination  
Residence Policy and Complete Golfer's Policy  
issued jointly with allied fire companies.*

serve. The capital is \$3,343,740 and net surplus \$10,318,568. Its assets increased \$2,365,525 and its surplus \$2,000,000. This is its 90th annual statement.

## Phoenix of Hartford Group Companies Make Increases

The Phoenix of Hartford has issued its annual report, showing assets of \$41,432,562. Capital amounts to \$6,000,000, premium reserve \$8,031,322, net surplus \$24,839,324, as compared with \$21,250,119 a year ago.

The Connecticut Fire of the Phoenix group reports assets \$21,107,968, capital \$2,000,000, premium reserve \$4,846,487 and net surplus \$13,070,293, as compared with \$11,013,714 a year ago.

The Equitable F. & M. has assets of \$6,654,075, capital \$1,000,000, premium reserve \$969,297 and net surplus \$4,431,263, as compared with \$3,832,751 a year ago.

## Agricultural Surplus Gain Was Largest in History

The Agricultural and affiliated Empire State of Watertown, N. Y., in 1935 recorded the largest gains in surplus that have ever before been enjoyed in a single year, President H. R. Waite reported at the annual meeting. Surplus of the Agricultural increased \$1,699,667 and that of the Empire State increased \$287,961.

The Agricultural had an underwriting profit of \$539,721 and the Empire State \$95,752.

President Waite referred to the fact that for three years the companies have had a remarkable underwriting record. He observed that this has been the experience of companies generally, but he voiced the belief that further continuance of this record is doubtful. He mentioned the fact that during the past four months there have been indications of a return to a more normal loss ratio.

Total fire insurance premiums of both companies amounted to \$4,361,550, automobile \$520,000, parcel post \$6,000 and marine \$485,000.

The average income return on the market value of the companies' investments was 4.4 percent. Mr. Waite said the management has arranged the distribution and quality of securities to protect as far as is humanly possible the surplus that has been built up.

## Two Officials Are Advanced by New York Underwriters

NEW YORK, Feb. 12.—Henry C. Klein and Joseph A. Reid were elected assistant secretaries of the New York Underwriters at a directors' meeting. Mr. Klein, who has completed 33 years with the New York Underwriters, will continue to supervise the special risk department. He has been chairman of the sprinkler leakage and special risk underwriters' conferences and is now a member of the executive committees of the sprinkler leakage, explosion and eastern tornado conferences.

### Native of Philadelphia

Mr. Reid, a native of Philadelphia, received his early training with the State of Pennsylvania office, for which he supervised its first southern and later its western business until 1918, when he came to the New York Underwriters. He supervised New York and New Jersey business and in 1920, when the New York Underwriters entered the field of automobile insurance, he was chosen to organize and manage the automobile department.

## Excelsior's Annual Meeting

SYRACUSE, N. Y., Feb. 12.—Nearly 50 agents of the Excelsior attended their annual meeting in the new home office building here. With Edwin J.

Cole, Fall River, Mass., chairman of the board of the Excelsior, presiding, the reports of the officers told of the fine progress being made by the only stock fire company, largely owned and directed by local agents.

President R. C. Hosmer pointed out that net premiums increased more than 15 percent, assets increased 15.5 percent, reserve was up nearly 13 percent, and surplus increased 60.3 percent. The loss ratio was 30.3 percent.

Assets are now \$745,516; premium reserve \$233,939; capital \$250,000, net surplus \$201,683.

Net premiums were \$235,457, losses \$71,354.

## Boston, Old Colony Report

The Boston and Old Colony have issued their annual statements. The Boston shows \$23,480,183 assets, of which \$2,304,646 is in United States government bonds and \$1,216,084 in cash. Capital is \$3,000,000, net surplus \$13,021,473, earned premium reserve \$4,586,451. If market quotations were used the net surplus would be \$483,000 more.

The Old Colony has \$9,247,525 admitted assets, of which \$1,895,523 is in United States government bonds and \$237,795 in cash. Capital is \$1,000,000, net surplus \$6,090,944, which would be \$324,004 more if market quotations were used; and unearned premium reserve \$1,500,724.

## Eagle Star's Figures

The Eagle Star & British Dominions shows assets \$6,021,010 of which \$758,641 is government bonds, \$2,448,116 other bonds, \$1,882,411 stocks, \$433,326 cash. Its premium reserve is \$1,819,566, statutory deposit \$400,000, net surplus \$3,132,676. Had the securities been valued on a market basis the total surplus would have been \$3,687,969.

## Adoue Named Chairman

J. B. Adoue, Jr., vice-president, was named chairman of the board of the Gulf of Dallas at the directors' meeting. A good increase in premium income was reported and a dividend of 8 percent declared. Other officers were elected.

## Favors Maintaining Rates

PHILADELPHIA, Feb. 12.—William L. Wallace, vice-president Pacific National Fire, who is visiting the eastern department here, is anticipating an ever-increasing loss ratio. "I believe that it will go hard with the companies if the rates are decreased," he said. "A tendency to further reduction in rates would be very bad."

## WANTED

FIELD MAN for COOK COUNTY by large Chicago Agency. Require knowledge fire and casualty lines. Special consideration to man having working acquaintance with large Real Estate offices. Give qualifications, experience, education, and references.

ADDRESS C-86, NATIONAL UNDERWRITER

## WANTED—TWO FIRE INSURANCE SOLICITORS

by Illinois Department of large mutual company with national organization. Salaried position. Splendid opportunity for men who have knowledge of the fire insurance business with selling experience. In reply state age, past experience and if at present employed.

ADDRESS C-87, NATIONAL UNDERWRITER

## CINCINNATI AGENTS!

A solid, substantial fire company with assets of over a million dollars is seeking a first agency connection in Cincinnati. If you are interested write in confidence to Box C-88.

THE NATIONAL UNDERWRITER, CHICAGO

## FIRE ENGINEER

Engineer wanted by large Chicago agency. Please state experience, education and salary expected.

ADDRESS C-84, NATIONAL UNDERWRITER



## Investigation of the N. D. Hail Department Launched

FARGO, N. D., Feb. 12.—Attorney-general Sathre of North Dakota is pushing an investigation of the state hail department under orders of Acting Governor Welford. Sathre states that the order for an investigation is based upon an audit of the hail department which has been in progress since the first of the year.

J. C. Meyers, assistant manager of the hail department, has been dismissed by Insurance Commissioner Hopton who alleges that Meyers was involved in irregularities with respect to certain warrants.

Former Governor Langer has been attacked by Mr. Hopton. Langer has represented several farmers who collected for hail damages. Hopton contends that some of the payments were improper and hints at collusion with Meyers. Langer has struck back at Hopton alleging that the attack was prompted because Langer refused to support Hopton for election to Congress.

## Make Satisfactory Progress

NEW YORK, Feb. 12.—For the information of its representatives and assured, actual and prospective, the American Surety has issued in pamphlet form the report of President Lafrantz, covering activities of the parent company and its subsidiaries—the New York Casualty, Canadian Surety, Mexican Surety and Amsuco Securities. These made satisfactory progress during the year.

## Rounds Out Even Century

Henry H. Hershey, who retired a good many years ago as Missouri special agent for the Niagara Fire, recently rounded out a century of existence. His 100th birthday was made something of a civic occasion in Amherst, Mo., where he resides in the house in which he was born and which was put up by his father 104 years ago. The mayor and other city officials called on Mr. Hershey that day and he received greetings from many sides. He is mentally alert although he is confined to a single room.

## C. C. Smith with Central Mutual

Clyde C. Smith is the newly appointed special agent for the Central Mutual of Chicago. Mott S. Hammond of Des Moines has the general agency for the state. Mr. Smith has represented the company for a year or more, and is a former Iowa field man, and at one time most loyal gander of the Iowa Blue Goose. He traveled for the Commercial Union, Federal Surety, London Guarantee & Accident and Monarch. He will have offices in 1006 Capitol Theater building, Des Moines.

## Death of Prominent Texas Agent

Malcolm Graham Vernon, who passed away at Strawn, Tex., after a long illness, was one of the oldest active agents in Texas. In 1903 he started a local agency at Strawn which he operated up to a short time before his death. Before that he was a pioneer cow boy. From 1882 to 1888 he worked for the big Half-Circle-Six outfit near San Angelo, herding cattle on the open range. His son, Rhea J. Vernon, has been special agent for the Crum & Forster companies in west Texas for the past 10 years.

## North Carolina Agents Honored

In recognition of long service as agents of the Great American, Frederick Rutledge, founder of the Rutledge Insurance Agency, and Miss Lula F. Hartsell, secretary of the agency, have received silver pitchers. The presentation was made at the offices of the agency in Asheville, N. C. by K. R. Smith, Raleigh special agent for the Great American in North Carolina. Mr.

Rutledge has served the company since 1907 and Miss Hartsell since 1908.

## Doane Agency's Record

The Doane agency of Muskegon, Mich., has continuously represented the Milwaukee Mechanics and Concordia for 50 years. The agency has unearthed some interesting material from the city directory of Muskegon for 1879, refer-

ring to the agency which was then known as Doane & Averill. The directory states: "We select the following from the city papers of their (Doane & Averill) unique method: 'Quick work—on yesterday afternoon a fire broke out in the warehouse of the Muskegon Flour & Feed Co., near Newell's dock. The fire department was promptly on hand and the fire was soon under control. Stock was insured at the agency

of Doane & Averill for \$500. Within 15 hours after the fire was extinguished the loss on the stock was adjusted. Who can beat that?'"

## Miscellaneous Notes

M. E. McGowan has purchased the R. S. Nicholson agency at Steubenville, O.

William P. Howard, 58, for many years associated with the Woodhead Agency of Kansas City, Mo., died of a cerebral hemorrhage caused by a fall.



A six-year-old speak of permanency? Certainly!

For not only has Kansas City Fire and Marine in six short years built its resources to an enviably strong position. But it also has the nationally-recognized asset of being managed by R. B. Jones & Sons Inc.,—a successful agency of over 47 summers!

Of course we speak of permanency. Even in the same breath as we refer to well-known Egyptian stonework.

Managed  
by  
R. B. JONES  
and SONS  
Inc.

# KANSAS CITY *Fire and Marine*

## INSURANCE COMPANY

CHICAGO OFFICE:  
INSURANCE EXCH

KANSAS CITY,  
MISSOURI

### New Commissioner Now in Office in Mississippi



JOHN SHARP WILLIAMS

John Sharp Williams, III, has assumed office as insurance commissioner of Mississippi, succeeding J. H. Johnson of Clarksdale, who was appointed to serve the unexpired term of the late George D. Riley. Mr. Williams, who is a native of Yazoo City, is a former president of the Mississippi Association of Insurance Agents, and its former national councillor.

### No Action on Iowa National

DES MOINES, Feb. 12.—Although it has been rumored that the Iowa National Fire would consolidate with some other company ever since its business

was reinsured by the Firemen's some months ago, directors took no action in this direction at their meeting. Directors did declare a \$4 dividend out of surplus, and they accepted the resignation of Frank Harvey, Kansas City, as chairman of the board, and as a director.

### Security of New Haven Gains

Assets of the Security of New Haven now amount to \$10,838,859, increase \$933,506. Premium reserve is \$3,773,863, increase \$50,000. Capital is \$2,000,000 and net surplus \$3,951,329, increase \$940,249.

The affiliated East & West has assets \$3,142,171, increase \$347,114. Capital is \$1,000,000 and net surplus \$1,525,337.

### Grant New Assistant Secretary

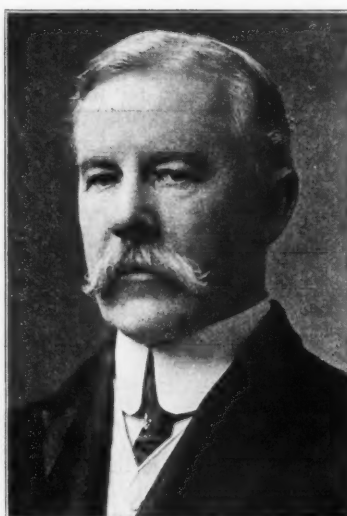
G. H. Grant, who has been actuary of the Aetna Fire organization for nine years, has been elected assistant secretary of the Aetna Fire, World F. & M., and Century Indemnity and will later be elected to the same position in the Piedmont Fire. He has been with the Aetna Fire since 1916, starting as a clerk in the bookkeeping department. He has made a record in fire insurance bookkeeping, accounting and statistical compilations.

### Baltimore Agent Dead

BALTIMORE, Feb. 12.—Sylvan Newman, vice-president of the J. Ramsay Barry Co., who died suddenly of a heart attack, had been connected with the local firm for the past three years. He had been affiliated with the New York Life for nearly 38 years.

Harold W. Letton, formerly United States manager of the Prussian National, and Netherlands, and vice-president of the Great Lakes, who organized the Fire Insurance Company of Chicago, is now selling New Mexico oil land and is located at 1020 Marengo avenue, South Pasadena, Cal.

### Veteran Texas General Agent Dies in Dallas



SAM P. COCHRAN

DALLAS, Feb. 12.—Sam P. Cochran, who retired in 1934 from the well known Trezevant & Cochran general agency here, died Tuesday evening. The funeral is being held today. He was 80 years of age. He had been incapacitated since retiring from active work about two years ago.

Mr. Cochran was one of the three famous Cochran insurance brothers. One was the late J. W. Cochran, who was president of the Fire Association and at the time of his death was vice-president of the American Reserve. F. D. Cochran, the other brother, is an active partner in Trezevant & Cochran.

Sam P. Cochran, in his day, was probably the best known insurance man in the state. During his later active years he gave most of his attention to Masonic affairs and had a world-wide influence in that activity. He was one of the organizers of the Masonic hospitals for crippled children. He entered the business in 1873 as an inspector at Cincinnati at the age of 18. From 1881-'82 he traveled Texas via stage coach as a special agent and in 1884, became a partner with J. T. Trezevant in Trezevant & Cochran, which had been founded in 1876 as Dargan & Trezevant.

I. S. Large, Rock Valley, Ia., local agent, died.

### INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Feb. 10, 1936.

	Par	Share	Bid	Asked
Aetna Cas. ....	10	3.00*	108	110
Aetna Fire ....	10	1.60	63	65
Aetna Life ....	10	.80	38	40
Agricultural ....	25	3.00	90	93
Amer. Alliance ..	10	1.20*	29	31
Amer. Equitable ..	5	1.00	35	36 1/2
American (N. J.) ..	2.50	.50	18	20
Amer. Surety ....	25	2.00	53	55
Automobile ....	10	1.20*	41	43
Boston ....	100	21.00*	710	720
Camden Fire ....	5	1.00	25 1/2	27
Central Surety ..	20	.50	32	35
Contl. Casualty ..	5	1.00	27	28 1/2
Contl. Ins. ....	2.50	1.45*	45	47
Crum & For. Com.	10	.85	35	37
Fidelity & Dep. ..	20	2.00	100	103
Fidel. & Guar. ....	10	.50	48	50
Fidelity-Phen. ...	2.50	1.45*	48	49
Fire Assn. ....	10	2.50*	88	90
Fireman's Fund ..	25	4.00	106	108
Fireman's F. Ind.	10	...	33 1/2	36
Fireman's (N. J.)	5	...	14 1/2	15 1/2
Franklin ....	5	1.20*	33 1/2	35
Glens Falls ....	5	1.60	46	48
Gl. & Rut. (com.)	25	...	57	60
Gt. Amer. Ins. ....	5	1.20*	32	34
Gt. Amer. Ind. ....	1	.15	10	12
Hanover Fire ....	10	1.60	40	42
Hartford Fire ....	10	2.50*	87	89
Home Fire & M. ...	10	2.00	49	51
Home (N. Y.) ....	5	1.20*	39	41
Inc. Co. of N. A. ..	10	2.50*	83	85
Merch. Assur. ....	2.50	1.00	63	66
Monarch Fire ....	4	...	5	6
Natl. Cas. ....	10	.40	20	22
Natl. Fire ....	10	2.00	86	88
Natl. Liberty ....	2	.30*	11	12
Natl. Union ....	20	2.50*	157	160
New Am. Cas. ....	2	...	13	14
New Hamp. ....	10	1.60	49	51
New York Fire ..	5	.80*	24	26
Northern (N. Y.) ..	12.50	4.00*	116	119
North River ....	2.50	.85*	29	31
Northw. Natl. C. ..	2.50	.10	7 1/2	8 1/2
Ohio Cas. ....	50	4.00	85	...
Pacific Fire ....	25	4.25*	139	142
Phoenix, Ct. ....	10	2.50*	102	105
Prov. Wash. ....	10	1.25*	43	45
Security ....	10	1.40	42	44
Southern Fire ....	10	1.00	29	31
Sprgfd. F. & M. ...	25	4.75*	148	150
St. Paul F. & M. ...	25	7.50*	215	222
Standard Accl. ....	10	...	9	12
Travelers ....	100	16.00	630	650
U. S. F. & G. ....	2	...	15	16
U. S. Fire ....	4	1.70*	59	61

\*Includes extra.

### Testing Company Lectures

The United States Testing Company will on Feb. 19 conduct the fourth of its New York lectures for insurance men on the application of scientific methods to salvage problems. The lecture, "Stain Damage and Elimination," will be given by J. E. Bell of the plant's research staff. The company has asked those interested to send in questions by Feb. 17 to be dealt with at the lecture. The meeting will convene at 7 o'clock.

The Grocers Mutual of Springfield, O., has changed its name to the **Guarantee Mutual**. B. G. Ashley is president and H. F. Duessing is secretary.

## Fifty-third Annual Statement Security Fire Insurance Co. Davenport, Iowa

December 31, 1935

### ASSETS

Bonds*—	
U. S. Government .....	\$301,950.00
State, County, Municipal .....	177,438.93
Public Utilities .....	17,450.00
Miscellaneous .....	18,100.00
Total Bonds* .....	\$ 514,938.93
City Loans (First Mortgage) .....	499,140.85
Farm Loans (First Mortgage) .....	175,572.72
Home Office Building and other Real Estate .....	411,376.18
Stocks* .....	128,600.00
Cash in Bank and Office .....	143,583.93
Premiums in Course of Collection .....	127,273.93
Accrued Interest (not due) and other Assets* .....	32,812.71
	<b>\$2,033,299.25</b>

\*Market Value December 31, 1935

### LIABILITIES

Reserve for Unearned Premiums .....	\$ 840,636.84
Reserve for Unadjusted and Unpaid Losses .....	38,388.64
Reserve for Taxes .....	50,923.16
Reserve for Other Liabilities .....	30,174.25
Voluntary Reserve .....	20,000.00
Cash Capital .....	500,000.00
Surplus .....	553,176.36
	<b>\$2,033,299.25</b>

	Assets	Surplus to Policyholders
1883 .....	\$ 100,785.19	\$ 100,024.45
1905 .....	245,141.68	168,446.99
1915 .....	660,190.10	270,033.45
1925 .....	1,481,724.73	601,820.30
1934 .....	1,934,203.48	1,007,115.62
1935 .....	<b>\$2,033,299.25</b>	<b>\$1,073,176.36</b>

"Protection Since 1883"

## MUTUAL FIRE REPORTS FOR 1935

	Cash Assets*	Unearned Prems.	Cash* Surplus	Cash Income	Net Losses Paid	Total Cash Income	Total Disb.
Abington Mut. Fire..	492,347	236,257	240,173	224,162	69,048	245,138	205,955
Alliance Co-Op., Kan.	347,679	188,555	157,386	114,121	53,279	129,421	103,880
Buckeye St. Mut., O.	73,932	...	73,932	195,925	119,715	196,579	145,623
Cincinnati Equitable..	1,447,895	306,368	1,137,876	13,003	2,851	76,403	35,433
Citizens Fd. M., Minn.	551,098	242,518	206,621	301,197	94,817	317,595	303,553
Cream City Mut., Wis.	392,807	74,199	307,316	71,635	24,647	93,678	68,926
Fidelity Mut., Ind....	368,424	157,001	184,290	217,396	60,673	230,639	200,391
Grocers Ch. Dep., Pa.	411,265	39,784	365,000	79,581	16,241	110,204	82,906
Iowa Hardw. Mut....	401,055	140,989	220,419	272,225	71,986	289,722	240,389
Kent Co. Mut., Del....	364,481	...	360,693	81,494	29,377	100,323	95,737
Lebanon Mut., Pa....	102,463	72,835	18,725	94,234	37,121	96,256	85,865
Mennonite Mut., Kan.	343,522	192,247	150,056	144,156	33,318	155,283	109,314
Millers Mut., Pa....	1,684,928	327,860	1,091,698	643,079	144,660	722,482	609,811
Nat'l Mut., O....	378,639	149,936	195,776	198,177	55,711	210,336	178,602
Ohio Mut. ....	478,746	64,714	403,294	81,794	17,951	101,800	82,278
Ohio Und. Mut. ....	448,255	164,941	216,116	225,350	59,016	239,941	210,900
Pa. Lumber Mut. ....	3,236,860	1,009,201	1,935,863	1,578,628	501,190	1,709,417	501,190
Penn. Millers' ....	2,956,556	381,209	1,902,053	821,674	160,663	998,836	728,220
Protective, Neb. ....	148,457	32,667	113,138	177,373	20,177	183,603	75,130
Tex. St. Mut. Fire...	63,131	10,496	47,256	20,263	4,584	59,889	37,141
Union Fire, Neb. ....	415,584	183,127	232,457	313,697	103,470	331,375	312,999
United Mut., Mass....	4,826,030	2,067,931	2,101,709	2,845,236	732,277	3,003,441	2,315,033

\*Does not include notes and policyholders' contingent liability.

## WANTED

Experienced solicitor fire, auto and casualty insurance for progressive local agency. Leads furnished. Salary and commission.

**COOPER AGENCY, INC.**  
320 W. Fort St., Detroit, Mich.



## Results on Principal Lines in 1935

Net Prem. Losses Pd.		
<b>Republic of Texas</b>		
Fire .....	\$1,869,136	\$ 412,655
Earthquake .....	4,551	
Tor.-windstorm .....	186,732	83,517
Sprinkler leakage .....	1,725	21
Riot and explosion .....	5,478	504
* * *		
<b>General of America</b>		
Fire .....	\$3,530,605	\$ 816,967
Motor vehicle .....	1,093,204	495,073
Earthquake .....	10,891	23
Inland marine .....	108,677	38,120
Tor.-windstorm .....	346,560	86,925
Sprinkler leakage .....	6,261	1,195
Riot and explosion .....	17,711	792
Other lines .....		32,208
* * *		
<b>Empire State</b>		
Fire .....	\$ 473,247	\$ 152,093
Motor vehicle .....	52,031	17,317
Tor.-windstorm .....	23,472	9,126
Sprinkler leakage .....	1,505	612
Riot and explosion .....	1,557	193
* * *		
<b>Agricultural</b>		
Fire .....	\$3,888,304	\$1,381,706
Ocean marine .....	353,445	232,401
Motor vehicle .....	468,280	155,853
Earthquake .....	4,343	
Inland marine .....	135,811	73,840
Tor.-windstorm .....	211,248	82,134
Sprinkler leakage .....	13,546	5,511
Riot and explosion .....	14,015	1,740
* * *		
<b>World Fire &amp; Marine</b>		
Fire .....	\$ 771,028	\$ 270,487
Ocean marine .....	45,100	24,129
Motor vehicle .....	77,816	29,639
Inland marine .....	59,551	43,508
Tor.-windstorm .....	50,052	20,258
Hail .....	42,729	20,652
Sprinkler leakage .....	2,507	1,731
Riot and explosion .....	6,514	1,055
Other lines .....	3,587	5,488
* * *		
<b>Travelers Fire</b>		
Fire .....	\$7,363,134	\$2,308,104
Motor vehicle .....	1,881,305	448,828
Inland marine .....	719,512	172,106
Tor.-windstorm .....	461,502	157,006
Sprinkler leakage .....	45,043	21,459
Riot and explosion .....	72,108	5,173
* * *		
<b>Piedmont Fire</b>		
Fire .....	\$ 307,231	\$ 85,467
Motor vehicle .....	28,475	14,858
Inland marine .....	14,508	4,854
Tor.-windstorm .....	4,526	2,479
Hail .....	11,385	4,644
Sprinkler leakage .....	1,250	
* * *		
<b>Inter-Ocean Reinsurance</b>		
Fire .....	\$1,744,934	\$ 465,419
Motor vehicle .....	98,792	20,932
Earthquake .....	21,933	
Inland marine .....	15,794	5,390
Tor.-windstorm .....	333,378	181,831
Hail .....	251,960	46,185
Sprinkler leakage .....	3,472	1,162
Riot and explosion .....	11,420	913
* * *		
<b>Great Eastern Fire</b>		
Fire .....	\$ 53,973	\$ 8,951
Motor vehicle .....	7,104	1,541
* * *		
<b>Aetna Fire</b>		
Fire .....	\$12,426,338	\$4,236,090
Ocean marine .....	763,612	404,159
Motor vehicle .....	1,159,364	399,005
Earthquake .....	21,317	1,000
Inland marine .....	866,732	308,427
Tor.-windstorm .....	1,027,076	392,590
Hail .....	282,785	130,819
Sprinkler leakage .....	39,674	13,875
Riot and explosion .....	143,947	8,013
Aircraft .....	39,126	11,324
Other lines .....	15,427	15,551
* * *		
<b>American Fire &amp; Cas.</b>		
Fire .....	\$ 14,225	\$ 2,178
Motor vehicle .....	199,461	77,098
Tor.-windstorm .....	1,259	1,276
Workmen's comp. ....	8,876	1,007
* * *		
<b>Farmers' Fire</b>		
Fire .....	\$ 628,747	\$ 234,832
Tor.-windstorm .....	15,793	5,431
Sprinkler leakage .....	1,546	589
Riot and explosion .....	2,136	423
* * *		
<b>Birmingham Fire of Pa.</b>		
Fire .....	\$ 61,295	\$ 8,080
* * *		
<b>National Union Fire</b>		
Fire .....	\$4,008,913	\$1,388,742
Ocean marine .....	117,582	98,584
Motor vehicle .....	1,059,289	429,188
Earthquake .....	5,646	
Inland marine .....	476,664	236,888
Tor.-windstorm .....	326,437	145,673
Hail .....	22	146,832
Sprinkler leakage .....	15,805	7,072
Riot and explosion .....	79,290	4,015
Aircraft .....	18,905	6,756

<b>Lafayette Fire</b>		
Fire .....	\$ 107,491	\$ 19,027
Tor.-windstorm .....	7,901	3,430
* * *		
<b>Old Dominion Fire</b>		
Fire .....	\$ 31,355	\$ 10,896
* * *		
<b>American Auto Fire</b>		
Motor vehicle .....	\$1,552,337	\$ 502,554

<b>Millers National</b>		
Fire .....	\$2,379,675	\$ 657,198
Motor vehicle .....	419,483	150,439
Earthquake .....	1,378	3,442
Inland marine .....	195,204	34,945
Tor.-windstorm .....	147,291	18,982
Sprinkler leakage .....	3,520	998
Riot and explosion .....	7,006	737
Use and occupancy .....	2,791	113
* * *		
<b>South Brit., Ltd.</b>		
Fire .....	\$ 168,032	\$ 44,970
Earthquake .....	1,192	
Tor.-windstorm .....	5,707	120
* * *		
<b>Wm. Penn Fire</b>		
Fire .....	\$ 36,406	\$ 5,908

<b>Continental</b>		
Net Prem. Losses Pd.		
Fire .....	\$14,975,243	\$5,417,525
Ocean marine .....	602,148	479,380
Motor vehicle .....	933,284	397,036
Earthquake .....	40,292	4
Inland marine .....	917,716	536,636
Tor.-windstorm .....	1,283,720	424,194
Hail .....	335,907	193,017
Sprinkler leakage .....	43,610	18,383
Riot and explosion .....	106,870	2,620
Aircraft .....	4,701	8,142
* * *		
<b>New Zealand, Ltd.</b>		
Fire .....	\$ 377,111	\$ 93,653
Ocean marine .....	73,820	36,784
Earthquake .....	3,303	
Inland marine .....	16,821	11,078
Tor.-windstorm .....	6,085	427



ONE thing our present agents often mention is the minimum of red tape in all dealings with the Agricultural or Empire State. There's no bulky or useless correspondence. Requests for detail reports are rare . . . are made only when unavoidable.

This convenient practice eliminates much chance for confusion or misunderstanding. More important however, it does away with a lot of waste motion and saves time for agents to spend in selling.

If you can use a company that is both strong financially . . . and strong in its efforts to cooperate fully . . . let us send a representative to give you our whole story. Write us today . . . your letter will have immediate attention.

**Agricultural**  
Insurance Company.  
of Watertown, N.Y.

**Empire State**  
Insurance Company.  
of Watertown, N.Y.

Every type of property insurance for industry and the home.

## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### NEW YORK EXCHANGE MEETING

Authority to employ counsel to assist the arbitration committee of the New York Fire Insurance Exchange in its effort to eliminate the excess commission evil, was given the executive committee of the body at the monthly meeting. The resolution to that effect offered on behalf of the executive committee and the arbitration committee was adopted by an 84 percent roll call vote. Other action taken included sanctioning a number of minor rate changes, mainly by way of classification; eligibility of oil risks rated on oil schedule; to average blanket rates and term insurance; adoption of the New York state uniform schedule for

application to oil tanks of less than 25,000 barrels capacity; reduction in rates for smoke supplemental contract from .04 to .03, for buildings and contents occupied exclusively as dwellings by not more than three families; and the adoption of agreed amount clause for attachment to co-insurance use and occupancy form number 8, "covering mercantile or other non-manufacturing risks of fireproof construction, or rated on the sprinkler schedule when the rate card specifically authorizes its use."

The further proposition championed by Brooklyn agents which would restrict the writing powers of class 3 members to Manhattan and Bronx boroughs and to the American Dock

stores in the borough of Richmond, was held over for consideration at the next meeting; this by request of its proponents who felt so much time was consumed at the gathering in discussing other matters, the suggested amendment could not be debated at sufficient length.

Additional members elected were: the National Fire & Marine, of Elizabeth, N. J.; Pacific Coast Fire of Vancouver, Can., and the Theurer Hennessy Co. The annual meeting will be held March 11. As a committee to nominate officers and committee members President J. W. Russell named O. E. Schaefer, chairman, B. M. Culver, A. C. Noble, Hart Darlington, F. W. Kentner, Bennett Ellison and C. A. Fowler.

Decision to employ counsel to aid in eliminating excess commissions, which has been a flagrant abuse for months was first considered at the December meeting but failed of general approval. The sharp warning of Superintendent Pink a short time ago, that unless the practice was checked action looking to a reduction in rates would likely be taken by the department, had a wholesome effect, both at the date of its original presentation last month and on its rereading at this time. The suggested restriction of writing powers of company offices and agents of this city, too, had been up several times; Brooklyn representatives maintaining that Manhattan agents limit their activities to the immediate borough. This proposal is vigorously challenged by the New York City men.

### DIVIDEND BILL IN LEGISLATURE

A bill was introduced in the New York assembly and referred to insurance committee, amending the law relative to distribution of dividends of stock fire corporations by striking out limitation of at least 25 percent of original capital stock on the increase of such stock to be distributed pro rata to the stockholders.

### NEW YORK BLUE GOOSE DINNER

The dinner-meeting of the New York City Blue Goose at Newark, Feb. 19, will be a tribute to the past most loyal ganders. The former chief officers include: W. E. Mallalieu, Raymond Waldron, P. E. Brown, H. L. Denny, E. C. Ryan, Wallace Kelly, W. V. A. Keeler, E. A. McCaskie, S. A. Mehrtorf, L. A. Watson, T. B. Donaldson and Clarence Axman. All are still residents in or about New York City, except Mr. Waldron and Mr. Kelly, the former now being located at Detroit as vice-president of the Detroit F. & M., while the latter

is Pacific Coast manager of the Yorkshire and the Seaboard F. & M. with headquarters at San Francisco.

### NEW YORK FIRE LOSS DOWN

The New York City fire loss and per capita loss in 1935 was the lowest in 20 years, with the total fire loss being \$8,731,565, decrease \$694,950. Likewise, the per capita loss was \$1.15, which was 11 cents per capita less.

Although the total fire loss decreased in 1935, there were 746 more fires than a year before. Of the total number of 27,802, 7,673 were in tenement houses, a decrease of 170 from 1934, and 9,109 in various other types of buildings, an increase of 340. Deaths at fires decreased by 16 to a total of 120; 429 persons were injured, increase 85; eight firemen lost their lives in accidents, an increase of two; 1,334 firemen were injured, increase 158.

### Incendiary Fires Decrease

There were 161 incendiary fires, decrease 40, and there was also a decrease of 47 suspicious fires, total 225. Persons arrested for setting fires totaled 95, decrease 26, of which number 55 were convicted, decrease 28. Fire Commissioner McElligott stated that one of the most encouraging aspects of 1935 activities was the marked decrease of malicious false fire alarms, attributed largely to the intensive campaign which he initiated and the splendid cooperation he received from the police department, city magistrates and board of education. In 1935 such alarms totaled 11,274, decrease 1,857.

Persons arrested for sending in false alarms totaled 338 as compared with 27 the previous year. Of this total 269 were convicted, fined or sentenced to prison terms, compared with 198 in 1934.

### ROBERTSON SAILS FOR PARIS

H. Marshall Robertson, United States manager of the General of Paris, is sailing Friday of this week for his annual visit to the home office. Assistant Manager Frank H. Newman has just returned from a trip during which he visited Pittsburgh, Chicago, Milwaukee and Detroit.

### SEIDE ON WESTERN TRIP

Jack Seide, president, Brooklyn Auto Burglar Alarm Company, makers of "Babaco" alarms for trucks, has been on a three-weeks trip through the middle west, spending some time in the Chicago branch office and also investigating the possibilities of opening agencies in St. Louis and Detroit.

## If You Want Automobile Insurance--In a Big Way!

Join in our national campaign to interest commercial banks in automobile financing. In hundreds of communities agents are getting in on the ground floor for a large volume of automobile premiums. They are doing it by capitalizing the fact that banks are having a hard time finding safe, profitable outlets for their funds, and more and more of them are turning to automobile financing.

Many commercial banks are making thousands of automobile loans and letting the borrowers select their own insurance agents. In your community you will frequently be the buyers' choice. Bankers know that by permitting borrowers to choose THEIR OWN agents, they earn the valuable good-will of all the agents in their communities.

A new booklet called "A Profitable Thought, Mr. Banker" tells facts and figures you and your local banks should know about automobile financing. Thousands of agents and bankers all over the country have sent for this booklet and found it valuable. Write for your copy today—you won't be obligated in the slightest.

The  
LONDON ASSURANCE

The  
MANHATTAN  
Fire and Marine Insurance Company

The  
UNION FIRE  
Accident and General Insurance Company

99 John Street

New York

## AS SEEN FROM CHICAGO

### MORE DEMAND FOR ENGINEERS

One of the departments in the fire insurance business that was given a body blow by the depression was the engineering. Companies and agencies that had maintained an engineering force began to hew down and whittle away. There was need for economy and hence engineers were let out and some agencies practically had to shut down entirely on their engineering departments. Companies reduced their engineering service materially. In recent weeks seemingly there has been a revival of interest in engineering departments and there has been a demand for experienced fire insurance engineers. Evidently companies and some of the large agencies feel that they cannot afford to continue with a weakened engineering department.

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### URUBA HAS ALL COMPANIES

Following the transfer of Fred W. Trayling of Chicago, Cook county special agent of the Safeguard, Law Union & Rock and Standard Marine, to the Michigan field to succeed E. G. Redemske, who was appointed state

agent of the London & Lancashire group in Iowa and Nebraska, the entire Cook county field work is in the hands of William Uruba, who has been Cook county special of the London & Lancashire and Orient.

\*\*\*

### RECOMMEND WHITE SULPHUR

The committee on the place of meeting of the Western Underwriters Association has recommended that the annual gathering be held as usual at White Sulphur Springs, W. Va. It is likely that the governing committee will ratify this decision. The meeting is held the third Tuesday and Wednesday of April.

\*\*\*

### A. F. POTTER BROKERAGE MANAGER

A. F. Potter, formerly class 1 agent operating as A. F. Potter & Co., has become associated with the All-Service Agency of Chicago, in charge of the brokerage department. He is well known in insurance at Chicago as an experienced production man and underwriter. The agency has been appointed state agent in Illinois for the Retail Druggists Fire, and is in position to write fire risks at preferred rates. It



also has facilities to write beauty parlor public liability. The All-Service agency has made substantial growth.

#### HOUSTON IS A CANDIDATE

Thomas J. Houston of Chicago, well known adjuster and former Illinois insurance superintendent, has filed his petition as candidate for state central committee for the 10th congressional district to come before the Republican primaries.

James S. Kemper, president Lumbermen's Mutual Casualty, has filed his petition as candidate for a delegate to the Republican national convention from the 10th Illinois congressional district.

#### SUN CONFERENCE IN CHICAGO

C. W. Ohlsen, western manager of the Sun of London group, presided over the annual field conference and dinner in Chicago Tuesday night. Field men in the department, western executives and department heads were all present. There were business meetings held by the field men when the experience of the year was reviewed and plans made for 1936.

#### RICHARDS IS EXAMINERS' SPEAKER

Benjamin Richards, manager Underwriters Service Association, will speak at the Feb. 20 meeting of the Association of Fire Insurance Examiners of Chicago, to be held at the Board of Trade Grill.

Mr. Richards will talk on "Special Hazards Risks," explaining how the association handles these risks, mutual competition and modern fire prevention.

#### STEWART, KEATOR HOLDS DINNER

Stewart, Keator, Kessberger & Lederer, class 1 agency of Chicago, held its annual dinner, winding up a sales drive in the last quarter of 1935. W. Herbert Stewart presiding. Prizes were awarded producers who achieved 100 percent of quotas. Mr. Stewart reviewed the year, noting the agency's loss ratio as a whole was considerably less than in 1934. The agency cut its volume of business last year to improve quality and wrote business carefully. Stewart, Keator for some time has been maintaining its own loss records on a basis comparable to methods of an insurance company.

A report is received from each company represented on every risk carried, the records being verified monthly with the company. Risk cards show premiums received, losses incurred and paid and reserves carried. Thus instead of underwriting the business as a whole, each risk is carried on its merits and a positive check maintained which shows just where trouble is developing. Loss cards are kept in file showing estimated loss, loss paid, medical expense paid, and reserve on open cases.

#### SCHIMMELPFENG WITH BOWES

H. W. Schimmelpfeng has become associated with Bowes & Co. of Chicago as assistant to Vice-president Paul M. Brown. He formerly was connected with the City National Bank there in charge of the property management department and is widely known among Chicago bankers and business men.

#### STOCK SOLD TO S. A. LAMBERT

Sale of the controlling interest in the Federal Reserve Life of Kansas City, Kan., and in the Agricultural Life of Detroit has now been made to S. A. Lambert, president of the Agricultural Life. At the public auction sale held by the receiver of the Fire Insurance Company of Chicago, which owned these shares, there were three bidders. In addition to Mr. Lambert, who submitted a bid of \$60,000, offers were made by Alex Green, president of the Federal Reserve Life, and J. A. Farber, president of the Service Life of Omaha.

This week, when the receiver made his report to Circuit Judge Rush in

Chicago, another bidder appeared on the scene. He was Bruce Brady of Cleveland, former assistant attorney-general of Illinois. He put in a bid of \$61,000 and when the judge said he wasn't interested in a bid of that figure, Brady increased the bid to \$65,000. Lambert then agreed to meet the \$65,000 figure and Brady increased his offer to \$66,000. The hearing was continued and when it was resumed Mr. Lambert submitted a bid of \$66,001 and he was awarded the stock.

The assets sold were 15,100 shares of Federal Reserve Life and a \$300,000 contribution certificate of the Federal Reserve, and 3,466½ shares of Agricultural Life.

#### NORTH AMERICA COLONELS

With impressive ceremonial in the officers' dining room of the western department of the North America, three of the executives of that department were treated to a delayed induction into the rank of Kentucky colonel. The three new colonels are General Manager C. R. Tuttle, Manager W. H. Riker and Assistant Manager W. B. Flickinger. The appointments were made by former Governor Laffoon of Kentucky some time ago but the presentation was delayed until the three officers could be at the same place at the

same time. Manager C. F. Thomas of the Western Underwriters Association was a special guest at these ceremonies and offered to cooperate in any military undertaking upon which the three North America colonels might embark.

#### Deny Claims in Missouri Case

KANSAS CITY, Feb. 12.—The claims of two groups of attorneys here for a total of \$60,000 of the impounded funds in the federal court fire rate case have been denied by the court. The attorneys contended that the work they did in connection with policyholder interventions in the case entitled them to the money. R. M. Sheppard, who originally opened the intervention issue in the case, H. A. Gardner and R. A. Moneyham asked for \$25,000. W. J. Gresham, W. G. Lynch, and F. M. Kennard asked for \$35,000.

The present indications are that the actual distribution of the \$9,900,000 of impounded premiums under the custody of the federal court will not take place until some time after July 1. It is believed that a gradual liquidation of the securities in which the impounded funds are invested will result in a larger net return than if an effort was made to dump all of the bonds, etc., on the market at one time. W. T. Kemper is custodian of the fund.

#### RFC Loans to Companies Are Being Rapidly Repaid

WASHINGTON, D. C., Feb. 12.—Insurance companies which required federal assistance during the depression are rapidly taking up their obligations, it is shown by a report issued by the Reconstruction Finance Corporation its loans and repayments.

Loans made to insurance companies up to Jan. 31, totaled \$89,519,494, while repayments amounted to \$83,444,579, leaving but \$6,000,000 still outstanding.

In addition to these loans, the RFC advanced \$30,375,000 to insurance companies, \$10,000,000 being used for the purchase of preferred stock and the remainder advanced on the security of preferred stock. Of this amount, \$292,000 has been repaid.

George W. Strodtman, 60, St. Louis, president of Strodtman & Strodtman, and former sheriff for St. Louis, was injured seriously when struck by a taxicab. Physicians reported that he sustained a possible fracture of the skull, a compound fracture of the left arm and a fracture left hand.

## THE AMERICAN INSURANCE COMPANY

NEWARK, NEW JERSEY

### 90th Annual Statement, January 1, 1936

#### ASSETS

*United States Government Bonds.....	\$ 2,692,877.52
*Railway and Other Bonds and Stocks.....	17,108,487.25
Bonds and Mortgages.....	1,512,260.00
Real Estate .....	4,308,910.58
Cash in Banks and on Hand.....	1,604,162.59
Interest and Rents Due and Accrued.....	96,292.78
Agency Balances (Not Over 90 Days Due) .....	1,563,286.51
Reinsurance Recoverable on Paid Losses.....	76,247.94
	<u>\$28,962,525.17</u>

#### LIABILITIES

Reserve for Unearned Premiums .....	\$11,486,212.58
Reserve for Losses in Process of Adjustment.....	1,973,049.90
Reserve for Taxes .....	555,000.00
Reserve for Depreciation on Real Estate.....	363,208.41
Special Reserve Fund.....	300,000.00
Reserve for All Other Claims.....	622,746.41
CAPITAL .....	3,343,740.00
*SURPLUS .....	10,318,567.87
	<u>\$28,962,525.17</u>

SURPLUS AS REGARDS POLICYHOLDERS..... \$13,662,307.87

\*Bonds are carried on an amortized basis prescribed by the New York Insurance Department. Stocks are carried at December 31, 1935, market quotations. On the basis of December 31, 1935, actual market quotations for bonds and stocks owned, this company's total admitted assets would be increased to \$29,281,862.62 and the surplus to \$10,637,905.32.

Note: Securities carried at \$284,389.87 in the above statement are deposited as required by law.

#### HOME OFFICE

15 WASHINGTON STREET, NEWARK, N. J.

## EDITORIAL COMMENT

### Efficacy of State Supervision

SUPERINTENDENT PINK of the New York department in his annual report gives an interesting, and to our way of thinking, very correct information of state insurance supervision, its character and reputation. He feels that the public has put too much reliance on the efficacy of state supervision as many are inclined to believe that with our state insurance departments in active operation that should be a guarantee against failure. This, he thinks, is impossible unless there is a comprehensive system of state insurance, which he regards as repugnant to most citizens.

It has been our observation that the insurance commissioners are in many ways superior in their qualifications and sincerity. They are restricted unfortunately by too small an appropriation so that they cannot employ the examiners and office staff that they should to give the highest service. That would be our main criticism of the present system. The insurance companies pay large amounts to the state. A greater proportion should be allocated to the departments so that more careful supervision can be given. The salaries of insurance commissioners should be increased. They should be enabled to pay sufficient money to attract efficient, capable people

to assist in a work that is very important.

Most of us find repugnant the thought of concentrating entire insurance supervision at Washington. Mr. PINK feels that the insurance industry itself is opposed to federal supervision and in our opinion his statement is correct. In case of state supervision, people have a better opportunity of getting action near at hand. It takes a long arm to reach at Washington with its extensive and highly organized bureaus. At least some satisfaction can be gotten from state headquarters. Taken by and large the states have given a good account of themselves and at present the NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS is composed of a capable body of men who are properly pursuing their task in an intelligent, honest way. We do not believe that anything much could be gained by federal supervision unless, of course, it was uniformity and the concentration of the work under one head. Federal bank supervision has been no more effective or protective than state supervision.

Mr. PINK finds that the companies now in active business that are dangerously close to the line are relatively few in number. Nearly all have gained in strength and confidence.

### Texas a Great Training School

TEXAS has sent forth men in fire insurance who have reflected great credit on their early training and the great Pan Handle state. Probably Texas has graduated as many men eminent in the business as any other state, if not more. It has been a great training ground, a school that has been worth while. The eminence of Texas as an insurance school is emphasized again by the celebration of the 60th anniversary of TREZEVANT & COCHRAN of Dallas, one of the oldest general agencies in

the country. To recall those who have been connected with that organization means a roll call of prominent underwriters. TREZEVANT & COCHRAN's office has contributed much to the general welfare of insurance and it is an historic agency. Those who have come from its portals have taken a prominent part in their work and they with their fellow Texans that have been educated in other schools deserve great praise for what they have accomplished.

### Need for Field Education

THAT VERY successful, inspiring and illuminating meeting of the FIRE UNDERWRITERS ASSOCIATION OF THE PACIFIC at San Francisco emphasizes again the great desirability of rehabilitating the FIRE UNDERWRITERS ASSOCIATION OF THE NORTHWEST and having its annual meetings in Chicago early in the year, preferably in January or the first week in February. There have been a number of field conferences already held in Chicago. Companies find it desirable to get their field men together and if the FIRE UNDERWRITERS ASSOCIATION OF THE NORTHWEST had its convention early in the year there would thus be the opportunity to attend one's own

company roundup and also the larger convention.

We are making a mistake in eliminating educational and training facilities for field men. Doctors and dentists return frequently to clinics for observation so that modern methods can be acquired and new remedies explained. School teachers have their institutes at stated times. Librarians go to their conferences. The insurance business cannot afford to ignore the opportunity for extending wider knowledge among field men. The business owes this to its salaried representatives. They should come in contact with leaders in the industry, see them in action, hear them talk, get

in conversation with them. There is much benefit to be derived by interchange of ideas among field men themselves.

It is beneficial, of course, to have field men come in contact with their own business family. They need, however, a wider and more extended view. The old FIRE UNDERWRITERS ASSOCIATION OF THE NORTHWEST did a remarkable piece of work. It should have been revamped and changed to meet modern conditions. Now

it needs a new dress. The organization should be brought into play again. Fortunately the Pacific Coast did not allow its educational organization to be sidetracked. No one can attend the meetings in San Francisco without realizing that they are even of greater advantage than they were in the past. Field men and, in fact, those in the office need to have the broadest, most catholic viewpoint of their business they can obtain.

### Holding Public Confidence

INSURANCE COMMISSIONER S. L. CARPENTER of California, in a talk before the ACCIDENT & HEALTH INSURANCE MANAGERS CLUB of San Francisco, made the point that after all public confidence and good will are essential to the greatest progress of insurance. Any untoward action in the business that creates antagonism and ill will does much to undermine the faith of the people in the entire insurance system. As Commissioner CARPENTER put it, "One

unfortunate experience of an assured with a company failure, a poor adjustment, misrepresentation by agents or companies or as the victim of a tricky and misleading phraseology in policy forms, and you have an enemy of all insurance."

It is incumbent on all of us who are engaged in this business to have a care as to what we say and do because any deviation from the straight and narrow course tends to discredit the business itself.

## PERSONAL SIDE OF BUSINESS

Frank Winthrop, attorney for the Florida Local Underwriters Association, died at Tallahassee.

John Rygel of Chicago, assistant western manager of the Hanover Fire and Fulton, is sailing from New York Thursday on a trip to the Caribbean sea and Gulf of Mexico, stopping on the return trip at Costa Rica, Central America, and then going to Miami, Fla., where he and Mrs. Rygel will hobnob with Manager T. A. Pettigrew of Chicago, manager of the Underwriters Adjusting Company, and Mrs. Pettigrew. Mr. and Mrs. Rygel will return to Chicago in March.

In connection with the death of the late Thomas E. Gallagher of Chicago, who was formerly western manager of the Aetna Fire, and who traveled in New York state for the Continental and later for the Aetna Fire, there are only two men still traveling in the state that were in the territory with Mr. Gallagher, they being Frank L. Curtis, who is with the Springfield, and F. F. Buell of the Agricultural. Mr. Gallagher was a member of the New York Ex-Field Men's Society and was very proud of his membership.

Among the passengers on the Chicago & North Western train which was marooned between Milwaukee and Green Bay, Wis., due to severe cold and snowstorms were six prominent insurance men. They returned to Milwaukee after having covered only 52 miles in 28 hours, 14 of which were spent in snowdrifts near Jackson, Wis. Among those accounted for were Henry Busack, Norwich Union; J. A. Nelson, Home; J. T. Conick, Royal Exchange; H. E. Miller, Concordia; Robert Wechselberg, Milwaukee Mechanics, and F. L. McAleavy, General Casualty of Madison. The train plunged into impassable drifts 26 miles northwest of Milwaukee, and a 35-mile wind piled snow over the marooned coaches. At 11 p. m. the fire in

the locomotive went out and for nearly five hours the beleaguered passengers fought the 22 degree below zero cold with one small coal stove in the dining car.

Brigham H. Goddard, 76, Ogden, Utah, local agent, died following an illness of several months. He was the head of the B. H. Goddard Company, which he organized many years ago. Mr. Goddard was born in Salt Lake City, his father being a distinguished Utah pioneer and a native of England. He entered the insurance business more than half a century ago, as an associate of Heber J. Grant, Mormon Church president and head of the Heber J. Grant Co., Salt Lake City.

Ray K. Davis, Detroit, Wayne county special agent for the Fidelity & Guaranty Fire, is the father of a baby boy.

W. G. Brownson, Michigan state agent for the Rhode Island, announces the birth of a son.

Frank Reid, retired, father of Earl A. Reid, Ohio state agent of the London Assurance, died at the latter's home in Columbus.

Oscar Rasch, for many years a local agent in Detroit, died at his home there at the age of 70.

Morton Jones, president of the Kansas City Fire & Marine; O. P. Rush, vice-president, and J. W. Starr attended the regional real estate conference at Tulsa.

Insurance Director Ernest Palmer of Illinois returned in good shape from his trip to Mexico, where he went to throw off a severe cold. He was in Mexico City, Cuernavaca and then went to the Pacific Coast and got in the tropical city of Acapulco. While at Cuernavaca he was the guest of Alfred MacArthur, president of the Central Life of Chicago, and Mrs. MacArthur, who were spending some days at their place in that city



## THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

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E. J. WOHLGEMUTH, President

LEVERING CARTWRIGHT, Asst. Man. Editor

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CINCINNATI OFFICE—420 E. Fourth St., Tel. Parkway 2140. Louis H. Martin, Mgr.; Curtis C. Crocker, Vice-President.

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which is next door to the famous Dwight Morrow home. The MacArthur's garden is one of the most exquisite in that section of the country. The name of the street was recently changed to Calle Dwight Morrow. Mr. Palmer returned with a coating of tan after having gone in bathing at Acapulco where the water was 72 degrees.

**William Rodiek, Jr.**, vice-president of William Rodiek & Co., St. Louis agency, is spending his winter vacation at Miami, Fla.

**John C. Kohne**, head of the agency bearing his name in Pittsburgh, received a steady flow of friends at his office on his 80th birthday. He is still active in the business and is most affectionately regarded. Dozens of persons went to his office during the day to greet him and wish him well. A son, C. C. Kohne, is president of the Fire Insurance Agents Club of Pittsburgh.

**Insurance Commissioner Murphy** of Iowa, national commander of the American Legion, was a guest at a Boston luncheon of Commissioner DeCelles of Massachusetts and nearly 100 other insurance men, including heads of companies, boards and bureaus.

**W. L. Braerton**, chairman executive committee of the American Association of Insurance General Agents and H. C. Stebbins, secretary-treasurer, both Denver general agents, have returned from a visit to San Francisco where a complimentary luncheon was given in their honor.

**Hermann B. Washington**, 87 years old, who was formerly executive special agent for the Hamburg-Bremen Fire in its western department when Witkowski & Affeld were general agents at Chicago, died at his home in Brooklyn after a brief illness. He served as agency superintendent for the company and traveled over a wide territory. He was active in the Illinois State Board and was an ex-president.

**C. R. Tuttle** of Chicago, general manager of the North America group in the west, is leaving Friday of this week to spend the rest of the winter at Pasadena where he will be at the Vista del Arroya hotel. He is accompanied by Mrs. Tuttle. He went to the head office at Philadelphia some days ago to confer with the officials before going on his winter sojourn.

**James W. Henry** of Pittsburgh, president of the Pennsylvania Association of Insurance Agents, left New York with Mrs. Henry for an extensive vacation in South America. Traveling aboard the North German Lloyd steamship "Columbus," Mr. and Mrs. Henry will visit Callao, Valparaiso, Bahia Blanca, La Plata, Montevideo, Porto Alegre, Rio de Janeiro, Sao Salvador, Caracas, Trinidad, and Nassau. The Henry's will return to Pittsburgh on April 1.

Mrs. Edith McDowell Beers, widow of **W. F. Beers**, died at Loma Linda, Calif. Mr. Beers, who died Aug. 20, became connected with the Union Marine & Fire, first insurance firm organized in Texas, of which his father was secretary. He was subsequently one of the organizers of Dyer, Beers & Kenison, which was succeeded by Beers, Kenison & Co.

#### Conn Moose with Life Company

**Conn W. Moose**, former Nebraska insurance commissioner, who when he took that position was manager of the Home Life of New York in Omaha, has become agency manager of the Columbus Mutual Life of Columbus, O., for Nebraska and western Iowa, having headquarters in Omaha. He is an outstanding man in his line and his administration of the department was vigorous.

## REJECTED RISKS

Philanthropy Rewarded  
Lesson in Letter Writing  
New Phrase Needed

Harry Wolf of Mansfield, O., local agent, ran into a piece of luck the other day. In 1902 he purchased 1,000 shares of Chester Mining Company stock for \$50. He took this more as a favor to a friend, feeling that he was simply contributing \$50 to a cause which was more or less philanthropic. He got his stock certificate, which was finely embossed and forgot all about it. About two months ago a brokerage house contacted him, asking him if he would be interested in selling it. He had lost track of the location of the property and for a long time was unable to find his certificate. Before he had an opportunity to find the stock certificate he received a second letter from another firm offering him \$300 for the stock and this was followed by some correspondence between himself and a broker in Wardner, Idaho. The upshot of his negotiations resulted in his selling his 1,000 shares for \$1,000. Thus at least one man has made a little money on mining stock.

One of the agencies submits a letter received from one of its companies asking for payment of balances. Evidently the correspondent needs a few lessons in letter writing. The letter is as follows:

"It would be pure redundancy for us to remind you that the end of the year is close at hand. That has already been pointed out to you in many ways. We can only join in the chorus of good wishes. It would be unnecessary verbosity to again make the point that books close at the end of the year and bespeak your help by the payment of past due balances. That has been impressed on you before and we look forward with confidence to your continued co-operation. Your check will save us this loquacity. Just attach it to the accompanying statement and send it back with any explanatory comment."

Badly needed—new expression, particularly by life insurance people, to express approbation other than: "He's doing a swell job."

### New 1936 Handy Table Useful to Insurance Men

"The Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER is now issuing the new "1936 Handy Table," figuring the replacement value of buildings for insurance purposes. All in the business that have use for such a table find that it is a quick and dependable method of figuring actual cash values. It is issued annually and therefore the new 1936 edition has all the figures to date, which take into consideration the increase in construction cost that became apparent the latter part of 1935. The "Handy Table" is published in pocket size. It can be folded for insertion in a stout envelope which is supplied. Instructions for its use go with the table and they are simple and easily understood. It can be used in any part of the country.

#### New Material Published

The 1936 table includes figures for semi-fireproof construction buildings which were not found in the previous edition. In it also are incorporated the cost for fireproof theaters and churches of similar construction.

Agents find the table very useful because the fire loss adjustment is made on the basis of actual cash value of the damaged property, and the amount to be recovered depends upon the relation between that value and the amount of insurance carried when the coinsurance

clause is in effect. Therefore it is quite important to the assured that the amount of insurance is sufficient to protect the interest fully and yet not greater than the actual cash value.

The price of the "Handy Table" is \$1, plus postage, and is sold by the "Fire, Casualty & Surety Bulletins," 420 East Fourth street, Cincinnati.

### Grain Insurance Low

The current comparatively low supply of wheat and corn in this country is reflected in the experience of the Underwriters Grain Association, the liability of which on account of grain is currently only about half of what is regarded as normal. In 1934, the Grain Association premiums reached the lowest point in history and for several months the liability on wheat was less than the association's liability on buildings. Normally the liability on wheat runs about 3½ times the liability on buildings. There was some improvement during the latter part of 1935, but the insurance on grain is far below normal.

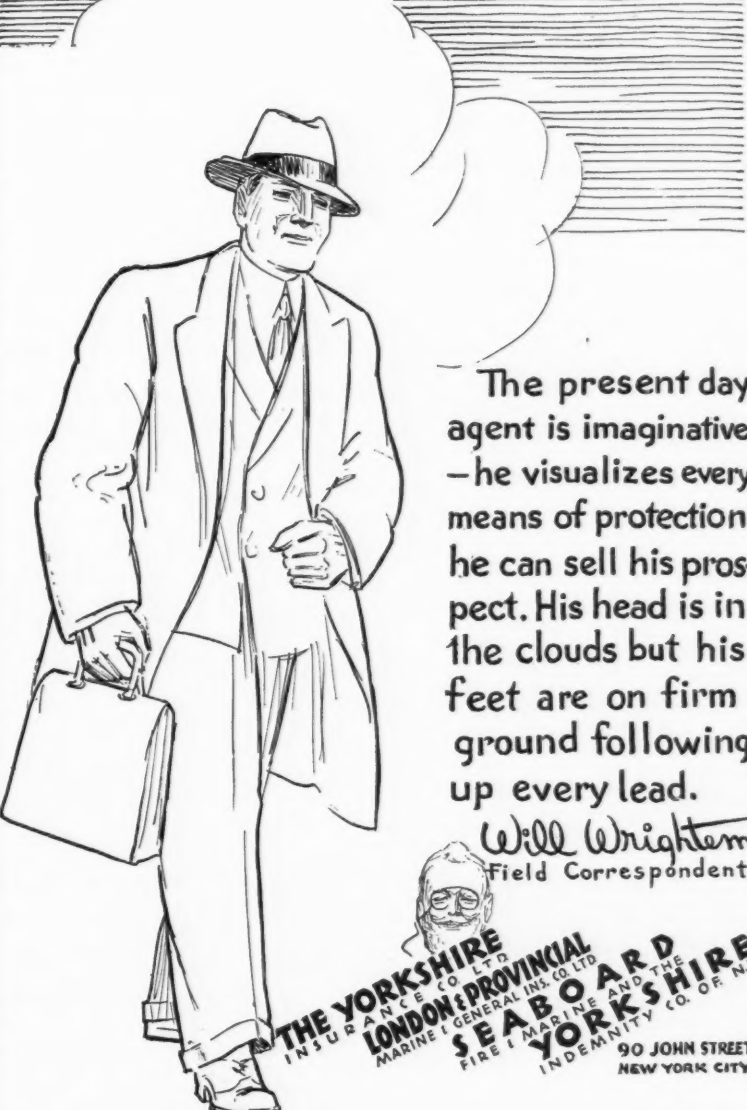
Mrs. John J. Laver, wife of the head of Tift, Laver and Co., Camden, N. J., prominent agency, suffered a triple fracture of the right leg when she fell while skating near Mays Landing, N. J.

### Savings of \$60,000 Made by Placing With Agents

TORONTO, ONT., Feb. 12.—A saving of more than \$60,000 per annum in insurance premiums by taking the line from the Municipal Underwriters, a private company formed by a previous government to handle Hydro insurance exclusively, and placing it through agents, is claimed by the Hydro-electric Power Commission of Ontario. The commission operates power developments of the Ontario government and also several electric railways and associated bus lines.

#### Lost Cover in 1934

Following the 1934 Ontario election, the insurance was taken out of the hands of the Municipal Underwriters and placed through 55 agents in various parts of the province, 12 percent being with American companies, 30 percent with British companies and 58 percent with Canadian companies. Lloyds carries the public liability insurance on the motor vehicles only. Most of the saving was effected on the Hamilton street railway, and on public liability insurance.



The present day agent is imaginative—he visualizes every means of protection he can sell his prospect. His head is in the clouds but his feet are on firm ground following up every lead.

Will Wrightem  
Field Correspondent

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SEABOARD FIRE & MARINE INS. CO. LTD.  
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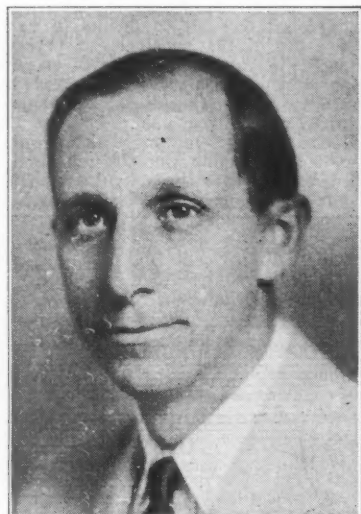
# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Michigan Association to Meet Farm Mutual Companies Met

Important Business and Topics to Be Taken Up at Midwinter Conference at Lansing

LANSING, MICH., Feb. 12.—Plans for the mid-year meeting of the Michigan Association of Insurance Agents, being held here Saturday, were being



JOSEPH W. MUNDUS  
President Michigan Association

rapidly completed early this week. It is anticipated that upwards of 250 will be present for the round-table discussions and consideration of some of the current agency problems which will mark the session.

Friday evening will be devoted to sessions of the governing and legislative committees. The general session will open at 9 o'clock Saturday morning with committee reports by the following chairmen: Cecil Baskins, Saginaw, local boards; D. W. Howland, Detroit, fire and accident prevention; Joseph W. Mundus, Ann Arbor, president of the association, membership; C. B. Smith, law and legislation; George W. Carter, Detroit, conference; P. J. Braun, Flint, contingent commissions.

#### Afternoon Speakers

The following speakers will be on the afternoon program: "Building Values," Arthur Misch, Homer Warren & Co., Detroit; "Compensation Rating Bureau" (No leader named); "Coalition and Cooperation in Insurance Between Credit Men and Agents," O. A. Montgomery, secretary-manager, Detroit Association of Credit Men; "Deviations and Agency Qualifications," (No leader named); "Automobile Financing and Insurance," Robert C. Stratton, Stratton Agency, Lansing; "New Fire Rating Schedule," John Bell, assistant manager, Michigan Inspection Bureau, Detroit; "New Standard Automobile Liability Policy" and "New Personal Effects Policy" (No leaders assigned).

Discussion of the social security act as it affects insurance interests will be led by D. R. Srigley, auditor of Gregory, Mayer & Thom, Detroit.

#### To Address Detroit Women

J. A. Bell of the Michigan Inspection Bureau will address the Detroit Insurance Women's League on the functions and operation of the bureau at a meeting Feb. 18.

Annual Convention of the Illinois State Association Was Held This Year at Quincy

The 33rd annual convention of the Illinois Association of Mutual Fire & Windstorm Insurance Companies was held at Quincy. E. E. McCoy of Mt. Sterling presided. J. H. Thomas of Rockford spoke on loss adjustment. State Fire Marshal Sherman Coultas told about the work of his department. John Stapel, secretary of the state mutual association of Missouri, gave an address. James T. Wise spoke on inspections. G. J. Mecherle, president of the State Farm Automobile Mutual of Bloomington, gave some observations on automobile insurance.

There were about 100 directors and officers present. There was considerable discussion of hazards in connection with farm risks and suggestions for improving the condition. There was a discussion concerning assessments, the method of making them and collecting. There was also much interest taken in present day values and the amount of insurance that should be underwritten by the different companies.

There is no election of officers as the election comes biennially. The officers are as follows:

President, E. E. McCoy, Mt. Sterling; vice president, W. H. Conklin, Rockford; secretary, Charles Holz, Buckley; treasurer, James T. Wise, Sadorus. Executive committee: R. E. Gifford, Hillsboro; Henry C. Gordon, Peoria. Legislative committee: E. E. McCoy, Mt. Sterling; W. H. Conklin, Rockford; Charles Holz, Buckley; Norman Flagg, Moro; G. J. Johnson, Paxton, and H. P. Hostetter, Mt. Carroll.

### Ohio Agents Meet at Toledo

Movement to Eliminate Fictitious Fleet Writing and Stabilize Casualty Business Is Revealed

TOLEDO, O., Feb. 12.—Ohio agents are leading a movement to eliminate fictitious fleet writing and to stabilize the casualty business, John A. Lloyd, secretary Ohio Association of Insurance Agents, revealed in an address here this week before the annual banquet of the Toledo Association of Insurance Agents, with which was combined the quarterly meeting of the agents of the northwestern Ohio district of the state association.

"The automobile insurance situation is approaching a state near to the chaotic," Mr. Lloyd said. "Our studies of this entire field indicate bad practices and cut-throat competition are reacting to the detriment of the insurance buying public. Whenever the public has to pay the cost of discrimination and unreasonable competition, the insurance industry itself is in danger."

#### Association Is Active

"The agent's association has recognized this deplorable condition, and has taken steps to meet it. We believe that the insurance industry should clean its own house."

"Pursuing its policy of cooperation wherever possible within the industry, our association has appointed a committee on this important problem. That committee has been instructed to contact every possible group of automobile writing companies, to hold joint meetings and conferences, and to attempt to work out a practical and sensible program involving legislation prohibiting

fictitious fleet writing, forbidding discrimination, and taking such other steps as are necessary to stabilize this branch of the insurance business. We hope, and firmly believe, that that committee will secure the cooperation of the companies to a point where united action will bring order out of this chaotic condition. Should we fail to get cooperation, however, it will be the purpose of the agents' association to push on with whatever support we can get."

Others who spoke at the meeting were Raymond Rhoads, assistant insurance superintendent of Ohio, and Walter E. Schmitt, president Toledo association.

#### NINTH DISTRICT MEETING

Members of district nine of the Ohio Association of Insurance Agents, at a meeting at Youngstown, were addressed by H. S. Martin, Toledo, vice-president, and John A. Lloyd, Columbus, secretary state association. J. S. Hilbert of East Liverpool was named chairman of the district organization and J. Bryan Wollam of Cortland, secretary. It is planned to hold four meetings in each district each year.

### Attacking Ohio Agents Body

National Association of Sales Finance Companies Protests Against Activity of the Organization

The house organ of the National Association of Sales Finance Companies, the "Time Sales Financing" has made an attack on the Ohio Association of Insurance Agents for its militant attitude toward finance houses and dealers that sell insurance along with automobiles. It calls attention to the fact that the Ohio legislature last year amended the insurance laws to provide that no one could sell insurance except a licensed agent and no one could receive a license unless he devotes the majority of his time to selling insurance. The finance companies then say that the Ohio Association of Insurance Agents started proceedings with the Ohio insurance department to obtain a ruling that when automobiles are sold on the instalment plan with insurance thereon, furnished through the finance company, the dealer, the dealer's salesman and the finance company are engaged in selling insurance without being licensed as agents.

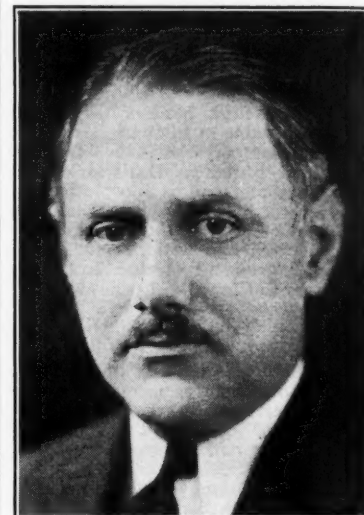
#### Insurance Through Regular Agents

The house organ says that it is the purpose to compel every purchaser of an automobile on the instalment plan to secure the insurance himself through a local agent, and to forbid the procuring of the insurance through the dealer or the finance company. The "Time Sales Financing" says that the Ohio finance companies and the Ohio Automotive Association are opposing this action. The paper says:

"It is by no means clear to us that the law as it now stands requires the interpretation which the insurance agents wish to have placed upon it, and we are very hopeful that the department of insurance will rule against them. Of course, in event of an unfavorable ruling, it will still be possible to have recourse to the courts."

"It has been suggested that this attack has been precipitated by the advertising of a method of computing the finance charge by adding the cost of insurance to the down payment and multiplying by a percentage factor, and that this method of arriving at the finance charge makes the finance company more vulnerable to attack as an unlicensed seller of insurance. We think this idea is unfounded. The method used in determining the finance charge, whether advertised or not, makes no difference in the

## Reelected



THEODORE SAFFORD, Cincinnati

Theodore Safford, vice-president of Albert W. Shell & Co., of Cincinnati, enters upon his third term as president of the Cincinnati Fire Underwriters Association. He is not only a genial man personally but is a profound and understanding student of insurance. He went to Cincinnati ten years ago from the east where he was in the pulp and paper business. At the annual meeting of his organization Mr. Safford gave a report of its activities and some comment on the trends of the day that were highly illuminating.

nature of the transaction and can not reasonably be a factor in the controversy."

### General of Seattle Files Rate Deviation in Michigan

LANSING, MICH., Feb. 12.—Disclosure by Michigan department authorities this week that the General of Seattle has filed a deviation providing for a 20 percent flat rate reduction on all fire business written in this state is expected to prove rather disturbing news to other companies and their agents throughout Michigan. The General has been admitted in this state for only a few months.

It is feared that the General's action will disturb a long-continued stable condition in Michigan as regards fire rates, this territory having had little difficulty in the way of rate competition since the standard fire rating law was enacted some 15 years ago.

### Ohio Denies Agency License

The Ohio insurance department has denied a license to the Cincinnati Auto Club Insurance Agency, which was recently incorporated at Columbus. The Ohio Association of Insurance Agents protested against the issuing of the license.

### Newman Heads Credit Group

Henry L. Newman, vice-president of the Detroit Insurance Agency is organizer and chairman of the insurance committee of the Detroit Association of Credit Men, composed of 17 insurance men of Detroit who are interested in furthering the insurance educational campaign of the Insurance Group of the



National Association of Credit Men. It is the third largest committee of its kind in any of the local associations of the National Association of Credit Men, the committee of the New York Credit Men's Association being the largest with that of the Chicago Association of Credit Men second.

#### Ohio Mutual Group to Meet

The Ohio Mutual Tornado & Cyclone Association and the Federation of Mutual Insurance Associations of Ohio will hold their annual conventions at Columbus Feb. 17-19. Among the speakers will be O. M. McClure, assistant state fire marshal; L. W. Goss of the veterinary college, Ohio State University; G. C. Hays, insurance manager federal land banks; and E. H. Myer, representing the National association. A number of state officials also have been invited to attend.

#### Fox Elected at Indianapolis

At the annual meeting of the Indianapolis Insurance Agents Association meeting R. C. Fox was elected president; N. H. Richardson, vice-president, and J. W. Stickney, secretary-treasurer. Three directors elected for three years were H. J. Spier, H. J. Hadley and L. G. Gordner. The action of the state association on brokering and countersigning policies originating outside the state on Indiana business was approved, also the proposal that new rules to be promulgated in the state be referred to the agents before final enforcement. The association was shown to be in good financial condition. A special drive for membership will be undertaken during this year.

#### New Illinois Rate Books

Rate books for the following towns were published during January by the Illinois Inspection Bureau:

Cave-In-Rock, Cedar Point, Colchester (class changed from 9 to 8), Findlay (class 9 to 8), Griggsville (class 9 to 8), Macon (class 10 to 8), Marengo, Speer, Toluca, Trimble (10th class), Windsor (class 9 to 8).

#### Kansas City Agents Meet

KANSAS CITY, Feb. 12.—More than 225 agents, fieldmen, and insurance people attended the Insurance Agents Association annual get-together here. Superintendent O'Malley was guest of honor and spoke briefly on the relations between the department and the insurance fraternity of Missouri, pointing out that he thought none of the agents demands excessive, and had backed them to the limit.

#### Des Moines Agency Party

The Commercial Union Assurance was well represented at the annual party given by the Witmer-Kaufman-Evans Company in Des Moines. Secretary H. W. Miller, General Agent C. A. Keenan, both of New York, Marine Manager W. B. Wolverton and All Risks Special Agent H. E. Mankin, both of Chicago, attended.

#### New Contract Now in Iowa

The supplemental contract of which Iowa has been deprived until the present time has at last been introduced in that state. It is the single item form which is being substituted for the old form in the other middlewestern states whenever the opportunity offers. Introduction of the supplemental contract was delayed in Iowa because of the statute governing pro rating. In Iowa the requirement is that the form be attached to all policies involved in a given risk.

#### Insure Lansing College Property

LANSING, MICH., Feb. 12.—The state board of agriculture, which controls the operation of Michigan State College here, is for the first time insuring the valuable barns on the cam-

pus and the equally valuable livestock they contain. At its latest meeting the board voted to place \$60,000 coverage on the livestock and a short time previously \$250,000 coverage was obtained for the farm buildings. The insurance is fire and windstorm only, being divided between the State Mutual Rodded, the State Mutual Fire, and the Michigan Mutual Windstorm.

The liquor control commission was forced recently by an attorney-general's ruling to discard its stock company coverage on the valuable liquor stock in the Lansing warehouse and to insure with the fire fund.

#### Made Indiana Special Agent

E. C. Bardwell, engineer with the Grain Dealers National Mutual Fire of Indianapolis, has been appointed special agent also for the south half of Indiana. He will appoint local agents. Mr. Bardwell was with the National Inspection Bureau before going with the Grain Dealers and prior to that was special agent of Liberty Fire of St. Louis, of which his father was president.

#### Studies Nebraska Premium Tax

LINCOLN, NEB., Feb. 12.—Judge Shepherd in district court here has taken under advisement the case in which several stock, mutual and assessment fire companies challenge the constitutionality of the law assessing a 2 percent tax on gross premiums collected in municipalities for the benefit of crippled firemen. The chief ground alleged, in addition to the discriminatory feature, was that the law did just what the federal supreme court condemned in the NRA decision: delegated legislative power to the trustees of the funds in the cities and villages maintaining fire departments, who were unfettered in their spending and could pay for injuries received in fires where no insurance was involved or for injuries received by firemen in automobile accidents. The state argued that if this clause be held invalid that the court order the tax to be collected and held for disposition by the next legislature.

#### Cleveland Board Has Banquet

CLEVELAND, Feb. 12.—Guests at the annual banquet of the Insurance Board of Cleveland included Assistant Superintendent of Insurance Raymond Rhoads, Senator John A. Lloyd, Columbus; Francis O'Connor, Lima, president Ohio association; H. S. Martin, Toledo, vice-president Ohio association; Cleveland Fire Chief J. E. Granger; J. M. Shaw, manager Cleveland office Ohio Inspection Bureau; R. E. Julian, assistant manager Ohio Inspection Bureau, Columbus, and D. B. Edwards, superintendent Ohio Audit Bureau, Cleveland.

Entertainment in the form of an amateur show was provided by the following: William Dye, who impersonated Major Bowes; Edward Stafford, David Charlesworth, Arthur Bezdek, A. L. Stewart, A. D. Gale, Wendell Abbott, Francis Currier and D. E. Herren.

#### Change in Cincinnati Course

A slight change has been made in the property insurance course given at the University of Cincinnati so that a greater insight into the practical problems of the business will be obtained by the student. The last 30 minutes of the class session is devoted to a talk by a member of the Cincinnati Fire Underwriters Association who discusses a concrete example of the topic under consideration. Any questions on that particular subject are answered. W. H. Alexander opened the new semester last week. The course was offered last fall for the first time in Cincinnati by Dr. F. E. Wolfe, economist, and the author of a textbook on property insurance, through the cooperation of the university and the association.

## To Kansas Agents:

A strong, independent (non-affiliated) fire insurance company desires to open correspondence with responsible Kansas agents.

This company, now preparing to enter Kansas, will operate directly from the home office and wishes to establish connections with reliable agents in the leading cities and towns. It wants agents who will appreciate a direct connection, without the intervention of a general agent or special agent. Liberal commissions to those who can qualify. The company has policyholders' surplus of more than \$2,000,000 and ample reinsurance facilities.

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Good  
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**IN THE SOUTHERN STATES**

**Finish Virginia Recodification**

**Separate Bills Being Offered in Legislature to Put into Effect Some Main Recommendations**

The report of the commission on revision and recodification of the insurance code of Virginia has been completed and although no effort will be made at the present to have the recommendations enacted into law in their entirety, separate bills are being offered to put into effect some of the main recommendations.

Resident agents of Virginia would be able to collect 50 percent on brokered business under one bill, the effect of which would be that the agent would collect half of the usual 20 percent commission on fire business instead of 1/4 as at present. It is further provided that no agent shall sign or countersign any blank contract or policy of insurance, nor would he be allowed to pay to any agent not regularly commissioned and registered or to any unlicensed resident or non-resident broker any portion of any commission which he receives or is entitled to receive. Another provision provides that no agent may issue a policy unless he shall collect at the time or within a reasonable time thereafter the full premium.

**Subject to Fine**

Any agent violating provisions of the act would be subject to a fine of not less than \$10 nor more than \$500 and a suspension or revocation of his certificate of registration. The act would not apply to life companies, except the casualty branches, nor to mutual fire companies operating wholly within the state, nor to policies or contracts of ocean marine insurance.

Another bill pending in committee provides that no salaried officer, manager or other salaried representative of any company, unless he be a bona fide registered resident agent, shall issue or countersign any policy in the state except contracts or policies of life, title and ocean marine insurance. Another measure would permit an agent whose registration is refused to have a hearing.

**Can Insure Public Buildings**

**Arkansas Supreme Court Decides in Favor of the Mutuals in a School Case**

The Arkansas supreme court holds that mutual fire and tornado companies can insure school buildings, it stating that the Russellville school district in Pope county can buy such coverage. A test suit was brought by a taxpayer who contested the right of the school board to take insurance in the Pennsylvania Lumbermen's Mutual. In answer to a query some months ago by the Arkansas Teachers College at Conway, Ark., Attorney General Bailey held that a subdivision of the state or an institution could not take mutual insurance because of the assessment feature and therefore the policyholder becomes a stockholder and assumes liability for its obligations.

The supreme court finds that the policy of the Pennsylvania Lumbermen's limited liability of the school district to the difference between the premium collected and the maximum permitted under the contract. In ruling on this point the court held that it did not make the school district a stockholder and also declared that the district did not thereby lend its credit to a private corporation.

Stephen T. Russell, 71, of the Russell & Campbell Agency, Jasper, Tex., died after an extended illness.

**Old Madisonville, Ky., Agency**

**Firm of Wilson, McPherson & Ruby Was Established a Half Century Ago by C. E. Morton**

The moving of a local agency from one location to another is often a mere perfunctory bit of news but in the case of Wilson, McPherson & Ruby at Madisonville, Ky., it takes on an historic aspect. It had been in the Kentucky Bank & Trust Co. building for 30 years or more and moved to the first floor, taking quarters formerly occupied by the Farmers National Bank. This firm was established 50 years ago by C. E. Morton. In 1896 he sold the business to S. D. Langley and Ruby Laffoon. A few years later Walter Ruby acquired Mr. Laffoon's interest. When Mr. Ruby retired in 1914, Roy S. Wilson bought his interest and the name of the firm was changed to Langley & Wilson.

**Third Interest Sold**

In 1916, J. D. McPherson, Jr., was sold a third interest. Two years ago Mr. Langley sold his interest to Mr. Wilson, who retained it until January, 1934, when he sold it to John Edwin Ruby, a nephew of Walter Ruby, the old time member. When Mr. McPherson entered the firm, a life insurance department was added and it has led the state in new business for the Mutual Benefit Life. Several months of last year, Mr. Wilson led all the agents in the country. J. D. McPherson, Jr., has been active in the work of the Kentucky Association of Insurance Agents as vice-president and member of the executive committee. Mr. Wilson has been district governor of the Kiwanis Club and is a notable golfer.

**Officers Elected at Local Board Meetings in Florida**

Several Florida local boards have held meetings and elected officers as follows:

Tampa: Installation of the new officers for the year: President, W. O. Stroud; vice-president, R. B. Diaz; treasurer, C. C. Light; secretary, L. A. Roos; directors: C. H. Black, Lester Pearson, Henderson Warren, R. C. Rice, O. H. Carter. Ocala: special meeting held this week, presided over by President Bright Taylor, and attended by President Payne Midyette, and Secretary Eifler of the state association. This is a new board. Jacksonville: all officers reelected: President, G. L. Simmons; vice-president, Quinlan Adams; secretary, T. T. El-

**Store Returns Canceled Cover to Local Agents**

AUGUSTA, GA., Feb. 12.—Recently one of the large chain department stores located in Augusta canceled all the insurance with local agents to place it with an outside broker. Immediately the Augusta Board of Underwriters got into action and through the full cooperation of its members was able to show the management of this store the fallacy of concentrating its insurance with an outside broker. The combined buying power of the board members was demonstrated with the result that the local unit was taken out of the nation wide schedule and the insurance returned to the Augusta agents.



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and support of  
those correct  
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the solvency  
of the com-  
panies, the  
protection of  
the public, and  
the orderly  
conduct of  
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Equipped for investigations and adjustments in this territory and trial of cases in Federal and State Courts.

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### SMATHERS, MARTIN & McCOY

Jackson Building  
Asheville, North Carolina

Representing Aetna, Travelers, Ind. Ins. Co. of N. A., American Surety Co. and many others.  
Equipped for investigations, adjustments and settlement of all claims. Trial of all cases in State and Federal Courts in Western North Carolina.

## N. CAROLINA (Cont.)

### CHARLES HUNDLEY GOVER

505-511 Law Building  
Charlotte, North Carolina

Representing Employers Group, Hartford Acc. & Ind. Co., Standard Acc. Ins. Co. and others.  
Trial of all insurance cases in State and Federal Courts. Equipped for investigations and adjustments in western North Carolina.

### EDGAR D. BROADHURST

Banner Building  
Greensboro, North Carolina

Equipped for adjustments. Trial of insurance cases in State and Federal Courts.

### BURGESS, BAKER & ALLEN

The Raleigh Building  
Raleigh, North Carolina

Sun Ind. Co., Royal Ind. Co., Globe Ind. Co. and others.  
Investigations, adjustments and trial work in Central and Eastern North Carolina.

## OHIO

### Waters, Andress, Wise, Roetzel & Maxon

1118 First Central Tower  
Akron, Ohio

Representing Aetna Life Ins. Co., U. S. F. & G. Many others given on request.  
Trial of all kinds insurance cases in State and Federal Courts and in surrounding territory.

### JAMES A. CULBERTSON

914 First National Bank Bldg.  
Cincinnati, Ohio

Globe Indemnity Co., Bankers Indemnity Ins. Co., and others.  
Equipped for investigations and adjustments. Trial of all insurance cases, State and Federal Courts, Ohio and Kentucky.

### McKEEHAN, MERRICK, ARTER & STEWART & GEORGE WM. COTTRELL

2800 Terminal Tower  
Cleveland, Ohio

### JOHN H. McNEAL

502 Auditorium Bldg., 1367 E. Sixth St.  
CLEVELAND

Phone Main 1928  
Attorney-at-Law

Facilities for Investigations, Adjustments and Trial work over Northern Ohio

### Charles T. Warner

35 East Gay St., Columbus, Ohio

(Former Judge of Common Pleas Court and Superintendent of Insurance of Ohio from 1931 to 1935).  
General Insurance Practice in All Courts and Insurance Department  
Investigation and Adjustment of Claims  
General Insurance Matters

### MATTHEWS & MATTHEWS

25 North Main St.  
Dayton, Ohio

Ocean Accident, Ohio Farmers, Ohio Farm Bureau, Indemnity Co. Col.

## OHIO (Cont.)

### CABLE & CABLE

Masonic Building  
Lima, Ohio

Representing American Surety, Fidelity & Cas. of N. Y., General Acc. Fire & Life, Phila.  
Trial of all insurance cases in Federal and State Courts. Equipped for investigations.

### HOLLOWAY, PEPPERS & ROMANOFF

921 Board of Trade Building  
Toledo, Ohio  
United States Fidelity & Guaranty Co. and others.

Trial of Cases. Surety and Casualty, complete investigation and adjustment service. Insurance trial work in all courts.

### Barnum, Hammond, Stephens & Hoyt

807-812 Mahoning Bank Building  
Youngstown, Ohio

Adjustment Department  
W. Carlton Young in Charge  
Auto—Fire—Theft—Collision—Liability  
Property Damage—Marine—Burglary

## OKLAHOMA

### Abernathy & Howell

LAW OFFICES  
First National Bank Bldg.  
Oklahoma City, Okla.

Representing Royal Ind. Co., Eagle Ind. Co., Great American Ind., and others. Equipped for investigations, adjustments, trial all insurance cases.

### Embry, Johnson, Crowe & Tolbert

First National Building  
Oklahoma City, Oklahoma

Equipped for investigation, adjustments, trial of all insurance cases in the State of Oklahoma.

### V. E. McINNIS & JAMES H. ROSS

Ramsey Tower  
Oklahoma City, Okla.

Representing Aetna Cas. & Sur. Co., Aetna Life, Prudential Ins. Co. of Amer., Cas. & General, American Auto Ins. Co., Maryland Cas., and others.  
Equipped for investigations, Adjustments and Trial All Insurance Cases.

### GEORGE M. NICHOLSON

Perrine Building  
Oklahoma City, Oklahoma

Formerly Chief Justice of Supreme Court of Oklahoma.  
Trial of all insurance cases in State and Federal Courts.

### THURMAN & THURMAN

504-508 Braniff Building  
Oklahoma City, Oklahoma

Representing F. & C. New York; F. & D. Baltimore; Mass. Bonding and many others given on request. Equipped for investigation, adjustments, settlement of all insurance claims. Trial of all insurance cases.

### JOHN L. ARRINGTON

407-12 Triangle Building  
Pawhuska, Oklahoma

Representing Hardware Mutual Cas. Co., Stevens Point, Wis., and others.  
Trial of all insurance cases in State and Federal courts.

### Allen, Underwood & Canterbury

Fifth Floor Oklahoma Building  
Tulsa, Oklahoma

Representing  
Home Indemnity Co., Employers Liability Assurance Corp.  
Equipped to handle trials of insurance cases in Eastern Oklahoma.  
E. C. Allen  
E. J. Underwood  
Sam S. Canterbury  
Paul Pinson  
O. L. Luperdus

## OKLAHOMA (Cont.)

### GIBSON, MAXEY & HOLLEMAN

325 Exchange National Bank Bldg.  
TULSA, OKLAHOMA

Equipped to handle claims, adjustments and trial of all Insurance cases.

### HUDSON & HUDSON

707 Ritz Bldg.

Tulsa, Okla.

## OREGON

### IMMEL & EVANS

First National Bank Building  
Eugene, Oregon

Companies represented: U. S. F. & G. Co., Royal Group, Mass. Bonding & Ins. Co., and others on request. Equipped for investigation, adjustment and trial all insurance cases, State and Federal Courts, this territory.

### G. M. ROBERTS WM. M. McALLISTER

Medford National Bank Building  
Medford, Oregon

Travelers, Indemnity Ins. Co. of North America, American Motorists Ins. Co., Pacific Indemnity Co., General Accident F. & L. Assur. Corp., Ltd.  
Investigations, adjustments and trial of all insurance claims in southern Oregon and Siskiyou and Del Norte Counties, Cal.

### Collier, Collier & Bernard

Suite 1220 Spalding Building

**Henry E. Collier** **John A. Collier**  
**E. F. Bernard**

Portland, Oregon

### E. L. McDougal

1437 American Bank Bldg.

Portland, Oregon

Equipped for Adjustments, Investigations and Settlement of Claims

### MAGUIRE, SHIELDS & MORRISON

1119 Public Service Building  
Portland, Oregon

Representing Maryland Cas. Co., Employers Reins. Corp., Yorkshire Ind. Co., Sun Ind. Co., American Auto Ins. Co., Associated Ind. Co., United Pacific Cas. Co., Canadian Ind. Co., Canadian Fire Ins. Co., Great Lakes Cas. Co., and others.

## PENNSYLVANIA

### ENGLISH, QUINN, LEEM-HUIS & TAYNTOR

Erie Trust Bldg.

Erie, Pa.

Representing Maryland Casualty, Preferred Accident and others furnished on request. Equipped for investigations, adjustments, trial insurance cases in Federal and State Courts.

### HENRY S. AMBLER, JR.

1925 Philadelphia Savings Fund Building  
Philadelphia, Pa.

Representing Glens Falls Ind., Continental Casualty, Century Indemnity.  
Equipped for investigations, adjustments and trial of all cases in Southeastern Pa.

(Continued next page)

# INSURANCE ATTORNEYS

• The insurance law firms whose professional cards are shown on this and the preceding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

## PENN. (Cont.)

### GEORGE Y. MEYER

1513 Berger Building  
Pittsburgh, Pa.

Representing Employers Group, Loyalty Group and many others given on request. Equipped for investigations, adjustments in Southwestern Pennsylvania.

### LEO. A. NUNNINK

1513 Berger Building  
PITTSBURGH, PA.  
Phone Court 2285  
Attorney-at-Law

Facilities for investigations, adjustments and Trial Work over Western Pennsylvania. Clients given on request.

## RHODE ISLAND

### SHERWOOD & CLIFFORD

1503 Turks Head Building  
Providence, R. I.

*Trials—Investigations—Adjustments*

## SOUTH CAROLINA

### THOMAS-LUMPKIN & CAIN

1000-7 Central Union Building  
Columbia, South Carolina

Specializing in Fire, Casualty, Surety and Life. Trial of all cases. Equipped for investigations and adjustments all over South Carolina.

## SOUTH DAKOTA

### BAILEY & VOORHEES

Charles O. Bailey (1860-1928)  
John H. Voorhees Melvin T. Woods, Jr.  
Theodore M. Bailey Roswell Bottom  
Howell L. Fuller  
BAILEY-GLIDDEN BUILDING  
SIOUX FALLS  
INSURANCE PRACTICE

## TENNESSEE

### JENNINGS & O'NEIL

505-8 Bankers Trust Bldg.  
Knoxville, Tenn.

The Employers Liability Assur. Corp., Ltd., of Boston, Mass.; American Employers Ins. Co.; Massachusetts Bonding Co.  
Trial of all cases in State and Federal courts.

### PLEASANTS & HICKOX

1715 Exchange Building  
Memphis, Tennessee

Several years engaged in trial of all Insurance Cases in State and Federal Courts. Equipped for investigation, adjustments and Settlement of all Insurance claims in Western Tennessee, Northern Mississippi and Eastern Arkansas.

### AUST, McGUGIN & SPEARS

American Trust Bldg.  
Nashville, Tenn.

Representing Fireman's Fund, Lumbermans, American Motorists, and many others. Equipped for investigations, adjustments, trial of all insurance cases in State and Federal courts in Central Tennessee.

## TEXAS

### WAGSTAFF, HARWELL WAGSTAFF & DOUTHIT

Attorneys at Law  
Abilene, Texas

Equipped to handle adjustments, investigations, settlement of claims and trial of all insurance cases.

## TEXAS (Cont.)

### WILL R. SAUNDERS

1013 Oliver Eakle Building  
Amarillo, Texas

Representing Associated Ind. Corp.; Traders & General Ins. Co.; American Fidelity & Cas. Co. of New York. Equipped to handle claims, adjustments, and investigations Panhandle territory. Practice in all State and Federal Courts.

### HART, PATTERSON AND HART

624-630 Littlefield Building  
Austin, Texas

Representing F. & D., Baltimore, Zurich Ins. Co., Home Ins. Co. of N. Y., American National Ins. Co., and others on request. Equipped for adjustments in Central Texas and trial work in all courts—State and Federal.

### CLAUDE POLLARD

1307 Norwood Building  
Austin, Texas

Attorney General of Texas 1927-1930. President Texas Bar Assn.—1922. Familiar with all State Department work of Insurance Companies.

### KING & RIENSTRA

208 Gilberts Building  
Beaumont, Texas

Representing Employers Group, Boston, others on request. Trial of all insurance cases State and Federal Courts Eastern District of Texas. Equipped for investigations.

### Touchstone, Wight, Gormley & Price

1108 Magnolia Bldg.  
Dallas, Texas

### Cantey, Hanger & McMahon

15th Floor Sinclair Building  
FORT WORTH, TEXAS

Samuel B. Cantey (1883-1924) Samuel B. Cantey, Jr.  
William A. Hanger Alfred McKnight  
Mark McMahon Willis A. Johnson  
W. D. Smith R. E. Hanger  
Investigations, Adjustments, Trial All Cases

### Armstrong, Cranford, Barker & Bedford

ATTORNEYS AT LAW  
American National Insurance Bldg.  
Galveston, Texas

Equipped for investigations, adjustments, settlements of claims, trial all insurance cases.

### Boyles, Scott, Tobey & Atkinson

First National Bank Bldg.  
Houston, Texas

### Fulbright, Crooker & Freeman

State National Bank Bldg.  
Houston, Texas

### SIMMONS & ARNOLD

624-29 First National Bank Building  
Houston, Texas

New Amsterdam Cas. Co., Allemanna Fire of Pittsburgh, Cravens-Dargan, American Central Fire, St. Paul Fire & Marine.

## TEXAS (Cont.)

### BLEDSON, CRENSHAW & DUPREE

First National Bank Building  
Lubbock, Texas

Representing U. S. F. & G., F. & D., Maryland Casualty, American National Ins. Co., Amicable Life Ins. Co., and many others. Trial of all insurance cases in all courts. Equipped for investigations—Adjustments—Settlement of claims in plains Country.

### Ball, Seeligson & Trueheart National Bank of Commerce Bldg. San Antonio, Texas

Representing U. S. F. & G., Maryland Casualty and others. General Insurance Litigation Defense only.

### BIRKHEAD, BECKMANN, STANARD & VANCE

800-811 Gunter Building  
San Antonio, Texas

## UTAH

### Stewart, Stewart & Carter

1105 Continental Bank Building  
Salt Lake City, Utah

Equipped for investigations, adjustments, settlements of claims and trial of all insurance cases State of Utah.

## WASHINGTON

### F. A. KERN

Washington National Bank Bldg.  
Ellensburg, Washington

U. S. F. & G. Co., Sun Life Assurance Co.

### BATTLE, HULBERT, HEL- SELL & BETTENS

1001 Exchange Bldg.  
Seattle, Wash.

Representing Standard Accident Ins. Co. and others. Trial of all Insurance Cases and others in State and Federal Courts.

### BAYLEY & CROSON

900-907 Insurance Bldg.  
Seattle, Wash.

Frank S. Bayley Burton J. Wheelon  
Carl E. Croson F. Bartow Fite, Jr.  
O. H. Johnson George W. Martin

### BOGLE, BOGLE & GATES

8th Floor Central Building  
Seattle, Washington

Fireman Fund Insurance Co.  
Oregon Mutual Life  
Occidental Life Ins. Co. Lincoln National Life  
Franklin Fire Ins. Co. Occidental Ind. Co.  
Home Ins. Co. (Marine Dept.)

### EGGERMAN & ROSLING

1824 Exchange Bldg.  
Seattle, Wash.

United States Fid. & Guar. Co., Maryland Casualty Co., and others.  
Trial of all insurance cases in State and Federal Courts in western Washington.

### PALMER, ASKREN & BRETHORST

1710 Hoge Building  
Seattle, Washington

Representing Employers Liability Assurance Corporation and others.

## WASHINGTON (Cont.)

### N. A. PEARSON

403-04 Fourth & Pike Bldg.  
Seattle, Wash.

Associated Indemnity Corp., and London Guarantee & Accident Co.  
Equipped for investigations and adjustments and trial of all Insurance Cases in State and Federal Courts.

### ROBERTS, SKEEL AND HOLMAN Insurance Building

John W. Roberts W. B. McKelvy  
E. L. Skeel Wm. Paul Uhlmann  
Tom W. Holman Harry Henke, Jr.  
Frank Hunter W. E. Evenson  
Tyre H. Hollander Robert H. Grass  
Laurence Booth, Jr.  
SEATTLE

### RYAN, ASKREN & RYAN

Suite 1903, Northern Life Tower  
Seattle, Wash.

Counsel for Association of Life Insurance Presidents—Commercial Casualty, Metropolitan, London Guarantee & Accident and others.  
Trial all insurance cases in State and Federal Courts in Western Washington.

### POST, RUSSELL, DAVIS & PAINE

Exchange Building  
Spokane, Washington

Actna Group, Hardware Mut. Cas. Co., Phoenix Ind. Co. and others.  
Investigations, adjustments and trial of all insurance cases in Eastern Washington and Northern Idaho.

## WISCONSIN

### Young, Everson & Ryan

230 E. Walnut Street  
Green Bay, Wisconsin

Fidelity & Casualty Co., of N. Y., Massachusetts Bonding Indemnity Co., and others. Trial of all casualty, fidelity and fire insurance matters. Specially equipped for investigations and adjustments.

### CHESTER D. RICHARDSON

Dale Building  
Kenosha, Wisconsin

Loyalty Group, Century Indemnity Co., and others. Equipped for investigation, adjustments, trial of all Insurance Cases.

### WOLFE & HART

First Wisconsin Nat. Bank Bldg.  
Milwaukee, Wisconsin

Special attention to the Law of Fire Insurance

### Bouck, Hilton, Kluwin & Dempsey

First National Bank Bldg.  
Oshkosh, Wisconsin

Fidelity & Cas. Co., Continental Cas. Co., Employers of London. Equipped for investigations, adjustments, trial of all fire, casualty, and surety cases in district.

### HERMAN C. RUNGE

712-16 N. 8th Street  
Sheboygan, Wisconsin

Massachusetts Bonding & Ins. Co. and others—Equipped to handle adjustments—and trial work.

## WYOMING

### WM. B. COBB

Consolidated-Royalty Building  
Casper, Wyoming

Representing U. S. F. & G., Travelers, Loyalty Group, Glens Falls and others. Equipped for investigations, adjustments and trial of all insurance cases.



more; treasurer, C. Blum. Mr. Adams is a past president of the state association.

### Little Rock Criticized for Some Weak Fire Defense

The National Fire Protection Association states that a newly organized greater Little Rock safety council has been organized there and this may result in the establishment of an active fire prevention committee. The city has a good building code, a full time fire inspector and an excellent drill tower. The engineers say, however, that the loss record has been bad. The fire department is undermanned and in a recent fire, in the absence of the chief, was severely criticized locally for what appeared to be peculiarly inept handling of a fire with a large loss. A new fire alarm system is badly needed, the engineers say.

### Jacksonville Agency Celebrates

McCrary, Armstrong & Waters of Jacksonville, Fla., one of the oldest and largest agencies, is celebrating its 24th year. It was founded by W. M. McCrary in 1912. In 1929, V. J. Armstrong became a member of the firm and the name was changed to McCrary & Armstrong. Four years later J. B. Waters became a member and the name was changed to its present one. Mr. Waters joined the agency prior to that as a claim adjuster and later was given supervision over fire, casualty and surety. In the incorporated agency Mr. McCrary is chairman of the board; Mr. Armstrong, president; Mr. Waters, vice-president and secretary, and E. H. Monroe, vice-president and treasurer.

### Improvement at Nashville

The National Fire Protection Association engineers visited Nashville and found that the city has built three new fire stations and has carried out a program of additional water mains. Losses continue to improve, the 1935 figures being about \$100,000 less than those of 1934. An excessive number of fire department runs to grass fires and dwelling house fires is a problem to which the fire department officials are giving attention.

### Louisiana Society to Meet

The annual meeting of the Louisiana Insurance Society will be held in Baton Rouge April 23-24. Executives and exchange officers will meet April 22.

### Heads Baton Rouge Exchange

BATON ROUGE, LA., Feb. 12.—C. S. Mayer was elected president of the Baton Rouge Insurance Exchange. Other officers are: L. W. Collins, vice-president; Charles Mayer, secretary-treasurer, re-elected. B. S. Mayer and

### Fire Defense for New Texas Exposition Good

The National Fire Protection Association gives a report on the Texas Centennial Exposition which will open in Dallas in June, the engineers having visited the city. The association says that the fire standpoint is interesting. It says in this connection:

"Sprinklers have not been installed although recommended by local fire engineers. However, consideration has been given fire safety through the erection of buildings, the majority of which are of a good grade of fire-resistive construction. Strong water supplies have been provided and a special force of watchmen will be trained by the Dallas fire department. The department will also provide six regular inspectors to maintain safe conditions. A fire station in the exposition grounds will be a special center of interest to visiting fire fighters and fire engineers. The state is also planning a fire prevention exhibit."

D. M. Thomas were named to the executive committee. E. F. Callahan and M. G. Smith are hold-overs.

### Pass Kentucky Fund Bills

LOUISVILLE, KY., Feb. 12.—It appears that a Kentucky state fund will be created. One bill has passed the house by a wide majority, while the senate has passed a similar measure. It is more than likely that the house bill will be enacted. It provides for a \$1,000,000 fund.

### Addresses Houston Agents

HOUSTON, TEX., Feb. 12.—Commissioner Mank of Texas addressed Houston agents on "Good Fire Record Credit."

### New Orleans Alarm System

The National Fire Protection Association finds that New Orleans has received bids on a new fire alarm system and money may be found for it now there is no longer violent wrangling between city and state political groups. The fire prevention committee of the association of commerce continues to advocate action on this system.

### Oklahoma Insurers to Meet

OKLAHOMA CITY, Feb. 12.—A business conference, heretofore known as the mid-year conference of the Oklahoma Association of Insurers, has been called for March 13. The program will be based on discussions of business building ideas, distinctly different from the previous meetings. John D. Saint, new manager of the association, has established offices in the Braniff building here.

girders; it likewise produces cracks in the fireproofing of structural steel. These cracks increase in number and extent as time goes on and whenever the building is subjected to new loading conditions, either vertical or horizontal, the stresses produced thereby, when added to the existing stresses caused by shrinkage, create new cracks even though the loads may be considerably less than those for which the building was designed. These cracks will be found in all such buildings and it has been concluded that they do not constitute structural damage."

### Idaho Separation Movement Is Getting Under Way Again

BOISE, IDA., Feb. 12.—Ending a truce of several months duration, the Idaho separation movement has again been launched and this time with renewed vigor. A resolution calling for its members to act promptly in effecting separation has been adopted by the Idaho State Association of Insurance Agents. The board companies have renewed their drive, issuing new clearance agency agreements for agents in Idaho, binding its signers to represent board companies.

Preliminary reports indicate the move is meeting with considerable success in the smaller cities, but is going rather slow in the larger centers. The board companies had delayed action in their separation program for several months, while an attempt was made by the association to establish uniformity of rates and commissions of the non-boarders. Now that this attempt has failed, separation will be attempted.

### California Agent Goes to Jail for Lack of License

Believed to be the first conviction obtained under section 1682 of the 1935 California insurance code which prohi-

bits solicitation without a license, J. W. Redemer of Porterville, Cal., was convicted in the Visalia justice court, sentenced to six months in jail and fined \$100. M. A. Butcher of Visalia, to whom Redemer sold an automobile policy in October, filed the charge. Butcher made a partial payment of \$30, and two \$20 payments later. The policy was issued by a Fresno agent with whom Redemer claimed he brokered his business.

When the policy was cancelled for nonpayment of premium, Butcher filed a charge of petty theft on three counts, later also charging soliciting without a license according to Deputy Machetanz, District Attorney of Tulare county. On the theft charge the jury could not reach agreement for conviction, but the verdict on the fourth count was unanimous. Redemer admitted he had been in insurance selling for about 12 years, being unlicensed since July 1, 1935. The California Association of Insurance Agents was elated over the conviction.

### Agents Qualification Order of Colorado Is Withdrawn

DENVER, Feb. 12.—Due to objections by companies, Commissioner Cochran has rescinded his order that requisitions to license agents not previously qualified in the state would have to be accompanied by inspection report from a reliable company. Another order designed to obviate the difficulty in enforcement pointed out by companies is expected soon to be announced.

The companies were of the opinion that the term "inspection report" could be interpreted only as a Dun & Bradstreet or Credit Bureau report, both of which services are confidential and could not be filed. Under the 1933 amendment which makes the commissioner responsible for investigation of agents and gives him full power to refuse licenses, the task of qualifying agents is his rather than their own. It is believed by

## Eagle and Star British Dominions Insurance Company Limited of London, England

### United States Branch Statement December 31, 1935

ASSETS	LIABILITIES
United States and Other Government Bonds...\$ 758,641.00	Reserve for Unearned Premiums .....\$1,819,565.70
State, Municipal, Railroad and Miscellaneous Bonds ..... 2,448,116.00	Reserve for Unpaid Losses ..... 410,096.83
Stocks ..... 1,882,411.00	Reserve for State and Federal Taxes and any other liabilities ..... 258,671.64
Cash in Bank..... 433,326.30	Total Liabilities ....\$2,488,334.17
Accrued Interest .... 43,146.76	Statutory Deposit ..\$ 400,000.00
Agents balances subsequent to October 1st 233,641.57	Surplus .... 3,132,675.84
Other Assets ..... 221,727.38	Surplus to Policyholders ..... 3,532,675.84
<b>Total Assets .....\$6,021,010.01</b>	<b>Total .....\$6,021,010.01</b>

Securities are valued on New York Insurance Department Basis. On the basis of December 31, 1935, market quotations for all bonds and stocks owned, this Company's total admitted assets would be increased to \$6,176,303.01 and surplus to \$3,687,968.84.

Securities carried at \$503,108.00 in the above statement are deposited as required by law.

Carroll L. DeWitt  
Asst. U. S. Manager

Harry G. Casper  
United States Manager  
90 John St., New York

Bert A. Jochen  
Asst. U. S. Manager

## PACIFIC COAST AND MOUNTAIN

### Reinforced Concrete Damage

#### National Board Issues Report on Effect of Earthquakes on Structures of This Type

The National Board has gotten out in printed form a pamphlet entitled, "Damage to Reinforced Concrete Structures Attending the Southern California Earthquake, March 10, 1933." The investigation was done under the auspices of the National Board by H. D. Dewell, who made a preliminary inspection of damage at Long Beach and later was instructed to make a complete survey of a building in collaboration with R. E. Davis, professor of civil engineering University of California, in

charge of the engineering material laboratories. Mr. Dewell is a structural engineer of wide and varied experience. A summary of their conclusions is:

"Certain conditions will always exist not only as applying to reinforced concrete buildings but also to buildings with structural steel frames in which concrete is used for floors, walls or fireproofing. While buildings constructed under some recent building codes may be expected to be more earthquake resistant than many of the old buildings, the conditions pointed out will in no wise be eliminated.

"It has been shown that cracks form in all reinforced concrete buildings due to the nature of the material. The natural shrinkage of concrete combined with the normal stresses due to load produces cracks in floors, beams and



## COVERING A TERRITORY Thoroughly THE GENERAL AGENTS' WAY —an Excellent Way for YOU!

● An insurance specialist in his territory—that's a General Agent. He knows every step of it, covers it thoroughly, is familiar with local conditions, and is always ready to help you as a Local Agent, and not compete with you.

Find out today about the General Agent's way—write the office nearest you or the American Association of Insurance General Agents, Travelers Bldg., Richmond, Va.

### ARKANSAS

Coates & Raines, Inc.  
Little Rock

### CALIFORNIA

Edward Brown & Sons  
San Francisco

### FLORIDA

Bradfield & Rhudy  
Jacksonville

### KANSAS

Kansas Underwriters  
Wichita

### MISSOURI

T. W. Garrett, Jr.  
Gen'l Agcy., Inc.  
Kansas City

### KENTUCKY

Bradshaw & Weil Gen.  
Agcy. Co.  
Incorporated  
Louisville

### SOUTH DAKOTA

John M. Cogley, Inc.  
Sioux Falls

### TEXAS

Trezevant & Cochran  
General Agents Since 1876  
Dallas  
Cravens, Dargan & Co.  
Houston

Like a family doctor the General Agent nearest you is worth knowing. It will pay you to become acquainted with him.

some company officials that department investigators should be out in the field checking qualifications of applicants.

### Los Angeles Employment Service

The Insurance Girls' Service Club of California has made a change in its employment department, having opened an office at 821 Insurance Exchange building, Los Angeles, telephone Vandyke 9411. Miss Kathryn Cookston is in charge of the office and it will now be possible for girls seeking employment in insurance offices to register during any hour of the day. The office places girls with insurance experience in offices calling for experienced insurance girls, and no charge is made for such service, either to the girls or to the offices employing them.

### Postpone Cochrane Hearing

DENVER, Feb. 12.—The Civil Service commission hearing on charges against Insurance Commissioner Jackson Cochrane has been postponed again until Feb. 18.

### Thompson-Elwell Expands

SEATTLE, WASH., Feb. 12.—A branch office of the Stuart G. Thompson-Elwell general agency will be opened in Portland at 317 Lumbermens building with Harrison Latham in charge. Wiley Shumm will open offices for the same firm in Spokane, Wash., and will be named supervisor for eastern Washington and northern Idaho.

### Insurance Society Formed

The Insurance Society of Southern California, an organization of insurance brokerage firms, has been formed at

Los Angeles and will be incorporated as a California non-profit organization. The purpose is to promote the interests of insurance and its collateral branches, elevate and sustain the character and honor of the insurance profession, enlighten and direct public opinion on insurance matters, safeguard interests of members and maintain high ethics.

### Buys Home Office Building

The General of Seattle and its affiliated companies, the General Casualty and the First National, have purchased the Brooklyn building, an eight-story reinforced concrete structure, with a two-story annex in the center of the University district in Seattle. The companies expect to have their staff of 275 employees moved to the new building within 60 days. It will be renamed to identify it with its new owners.

### Premiums Decline \$249,000

SAN FRANCISCO, Feb. 12.—Revised figures issued by the Fire Patrol show that 1935 San Francisco fire premiums were \$249,000 less than those collected the previous year. Total for 1935 was \$3,402,621 as compared with \$3,651,767 in 1934. Company standings are the same as published several weeks ago. The drop in premiums sends the companies back about 20 years. Ten years ago, in 1925, the total premiums were in excess of \$6,000,000 in San Francisco.

### Hagen Assistant Secretary

Frank J. Hagen, district manager of the Los Angeles office of the Firemen's, has been appointed assistant secretary of the companies in the group.

## EASTERN STATES ACTIVITIES

### Boston Fire Premiums Rise

Report for Last Half Year Shows Slight Betterment; Leading Companies Listed

Boston fire premiums in the last half of 1935 increased somewhat, according to report by Superintendent Gooding of the Boston protective department. Premiums totaled \$2,893,750, of which \$263,151 was written by mutuals; compared to \$2,881,227 in the same period of 1934, with \$221,789 of this mutual premiums. The volume leaders in order were:

	Last Six Months	1934
Home, N. Y.	\$89,866	\$66,504
Royal	71,864	55,623
North America	63,698	62,847
Continental	57,647	61,869
Hartford	57,559	66,243
Dubuque	57,050	52,223
Boston	54,898	50,348
Pennsylvania	54,430	63,009
Aetna	52,008	57,489
National, Conn.	46,457	53,778
Great American	40,414	39,789
Pearl	39,698	24,137
Employers	38,644	41,558
Niagara	37,227	38,895
No. British & Merc.	37,139	48,662
Dixie	35,985	23,297
Springfield F. & M.	34,831	35,225
Fireman's Fund	34,126	36,698
Franklin	32,880	24,569
Travelers Und.	32,852	25,977
Queen	30,159	34,421
Mercantile	29,274	36,947
Fid.-Phenix	28,641	27,206
Anglo-American Und.	27,594	2,099
St. Paul F. & M.	25,290	27,901
Agricultural	24,876	25,369
Sec. Un. & Natl.	24,158	22,432
Travelers	24,020	29,225
Fireman's Fund Und.	22,628	22,392
Farmers, Pa.	22,174	17,152

### Massachusetts Groups Have Settled Their Differences

BOSTON, Feb. 12.—The executive sessions which have been held the past few weeks between the Boston Board and officers of the Massachusetts Association of Insurance Agents, which

are presumed to be over the commission differential in the excepted city and outside territory, as well as underwriting practices, have been given their first public recognition by the participants. Apparently the agents' association and the board have approached more nearly a working formula and that what has been accomplished complies reasonably with the demand of the commissioner that the board "reform" its "monopolistic" and "illegal" methods. The board has sent a communication to Commissioner De Celles stating a resolution has been adopted by the two groups to the effect "that they are making sufficient progress in the adjustment of their difficulties as to render it unnecessary to use more of the commissioner's time or service."

### Veteran Corry, Pa., Agent Dies

Harry Auer of Corry, Pa., one of the leading agents, died there. He was active in civic affairs and had been postmaster for several years. The agency is being continued by Miss Wilma Rich, who for some years was associated with Mr. Auer in the business.

### Report Made on Holyoke

The National Fire Protection Association reports that fire losses are high at Holyoke, Mass. There is lack of a training school for firemen and lack of a fire prevention bureau in the fire department. A new building code is nearly ready for adoption.

### Two New Bills in N. Y.

ALBANY, Feb. 12.—A departmental bill has been introduced in the New York legislature amending the law making provision against loans to directors and officers of insurance companies apply also to trustees and also apply to property of an affiliate company; also prohibiting contracts with any salaried officers, director, trustee or employee or any co-partnerships or corporation in which they own stock,

agreeing to pay any commission or emolument for acquisition of business, and making other provisions relative thereto.

Another bill provides the superintendent "may" instead of "shall" refuse admission to any foreign company or to renew certificate unless assets are substantially of same general character that companies of New York are permitted to hold.

### Water Reservoirs at Nashua, N. H.

The National Fire Protection Association reports that Nashua, N. H., during the last year has constructed 45 water reservoirs, ranging in capacity from 25,000 to 350,000 gallons, the work being done by relief workers under direction of the fire department. They protect properties in the outlying districts beyond hydrant protection.

### Heads Paterson Association

PATERSON, N. J., Feb. 12.—At the annual election of the Insurance Agents Association of Paterson, C. E. Meek, Jr., was elected president; E. E. Dudley, vice-president; George Clair, secretary and treasurer; J. D. Birchenough, assistant secretary. The executive committee includes S. H. Glass, chairman; Frank Hanson, William Glasser, T. W. Cocker and S. D. Rumsey.

### Ridgefield Agents Form Board

A local board has been formed at Ridgefield, N. J., with the following officers: Roy B. Wright, president; H. P. Murphy, vice-president; N. L. Rosdahl, secretary-treasurer.

### Agency Setup Is Changed

Field men representing nearly 40 fire companies assembled at the office of Bachelder & Biehl in Galion, O., to transfer the business to Miss Florence Holmes and F. W. Biehl following the recent death of H. J. Bachelder, one of the partners. Mr. Bachelder had been in the business there for many years. The surviving partner, Mr. Biehl, and Miss Holmes, who becomes a partner, were associated with Mr. Bachelder for a number of years.

### New Jersey Association Growing

The membership committee of the New Jersey Association of Underwriters is making an intensive drive for new members and so far they have been extremely successful. The total up to the present time is 453 and it is expected that before the mid-year meeting at Trenton, N. J., on March 6, the membership will total 500.

J. E. O'Neil, J. H. Good and M. H. Wells have been admitted as junior members of the Russell, Fairfield & Ellis agency of Boston.

### Miscellaneous Notes

J. A. Sims, Ruston, La., local agent, died.

James E. Hassinger of Gregory & Hassinger, New Orleans, is father of a new daughter.

G. A. Hagan, 65, of the Snyder Agency, Snyder, Tex., died after a brief illness.

J. S. Givens, Lafayette, La., local agent, died.

The Mid Southern Agency, Louisville, has been incorporated by D. J., S. F., and B. R. Gradman.

Loery B. Eastland, Baton Rouge local agent, has been elected to the state legislature.

The annual home inspection campaign carried out by the fire department at Springfield, Mass., has greatly reduced dwelling fires.

The agency of Charles L. Kenyon, Elkland, Pa., who died recently, will be continued by his son, Thorne, who had been associated with his father for some years.

C. A. Howes, inspector for the Boston Board for 36 years, died at his home in Belmont, Mass., after an illness of three months. He was 63 years of age. Mr. Howes was a well known philatelist and music lover.

Maynard & Snow, Shreveport, La., has been dissolved. Victor P. Maynard is operating under his own name at the original headquarters of the firm, while Lee H. Snow has opened offices under his own name at 309 Millam street.



## MOTOR INSURANCE NEWS

### Motor Production Increases

#### Much New Business for Automobile Underwriters Indicated as Manufacturers Predict Banner Year

Last year was the second best in the life of the commercial car industry with a total production figure of 571,088 for the domestic market and 152,574 for the foreign market, a grand total of 723,658 commercial cars and trucks for the year, according to figures released by Recording & Statistical Corporation. It is estimated that 1936 started with approximately 70,000 units in dealers' hands. The last few years have showed a steady and increasing sale of new commercial cars and trucks and 1936 is expected to smash all records.

#### Passenger Car Production

New passenger cars for the domestic market in 1935 totaled 3,042,933 and 242,903 for foreign markets. Factory sales of motor vehicles for 1935 totaled 4,009,496 based on data gathered from 112 manufacturers. This is an increase of 1,356,385. This increase was short only 563,672 of the production and sales of 1933, only 14,293 of sales in 1932.

#### Banner Year Indicated

Although sales showed a slight decline in the past two weeks, production for January is estimated at 420,000 units as compared with 161,510 for the same month in 1935.

It is estimated that there are 24,000-000 cars on the highways today, a large percentage of which must be replaced. Every indication points to a banner 1936 which means considerable new business for companies writing automobile insurance. These figures do not include trucks, 90 percent of which need replacement which, together with the demand for new trucks for new jobs, will make 1936 the biggest truck year in history.

The "American Legion Monthly" estimates that the payment of the soldiers bonus will mean the sale of at least 350,000 new passenger cars to the legionnaires alone. This is an unexpected market in the forecast for the greatest motor vehicle year in history.

### Automobile Claims Are Many

#### Weather Conditions and Icy, Snowy Streets and Roads Are Conducive to Accidents

Property damage and collision claims due to automobile accidents piled up during the week to higher peaks due to road and weather conditions. Streets were slippery, there was much skidding and the severe weather made driving difficult. At times there was sleet and snow which handicapped automobilists

materially. The main personal injury claims were due to pedestrians crossing streets and not making sufficient allowance for automobiles. In all sections where there has been very cold weather, ice and snow, property damage and collision claims came in large numbers.

### Cut Is Made in Broad Form Theft Cover in Kansas City

Charges for broad form theft coverage in Kansas City have been reduced by the National Automobile Underwriters Association. The reduction comes in the form of decreases in the so-called penalty charges that are collected if the owner desires to have his insurance on the broad form. The reduction amounts to from 40 to 60 percent. The new rate for the penalty charges will be one-third of the basic theft premium. Thus with a car on which ordinary theft insurance cost \$18 the accessory coverage may be purchased for \$6 additional. The old rate for accessory insurance was \$10 on cars costing less than \$1,000 and \$12.50 on cars costing more than \$1,000.

The minimum premium for the additional coverage must be \$4 and the maximum will be \$12.50.

In advising Police Director O. P. Higgins of the reduction, Secretary E. L. Rickards of the National Automobile Underwriters Association, states the records of the company show there were 525 less total thefts in Kansas City in 1935 than during the previous year and that there were 478 less cars stripped and 918 less tire thefts. The improvement came almost entirely in the last nine months of 1935, according to Mr. Rickards, which was the period during which Mr. Higgins had personal charge of the department.

### Motor Vehicle Casualty in Ohio

The Motor Vehicle Casualty of Chicago, which writes full cover automobile insurance, and has been operating in Illinois and Indiana successfully, has now been licensed in Ohio. It intends to operate in the state outside of the large cities and will not have an agency in the Youngstown district. In due season it will have a local agent in the state. Vice-president O. Shephard has spent a couple of weeks in Ohio getting the machinery going.

### Virginia Auto Rate Bill

The Virginia state corporation commission would be clothed with authority under a bill pending in the general assembly of that state to exercise supervision over collision rates in automobile policies. Under the present law, the commission has the right only to fix and regulate liability and property damage rates.

## MARINE INSURANCE NEWS

### Carriers Facing Heavy Cost

#### Suggestions for More Complete Insurance on Truck Transportation Are Made to I. C. C.

HOUSTON, TEXAS, Feb. 12.—Suggestions made to the Interstate Commerce Commission for insurance protection to the public under the 1935 motor carrier act will cost the average truck operator about \$269 a year if adopted, R. G. Hyett, secretary-manager South Texas Motor Transportation Association, stated.

Opinions of truck operators are asked by the I. C. C. in a bulletin on public protection, to be received by Feb. 15.

Mr. Hyett said the suggestion has been made to the I. C. C. that if motor vehicle or trailer is used for transportation of property, it should carry a maximum of \$25,000 insurance for bodily injury or death to any one person, where at present the maximum is \$10,000.

#### Suggestions Are Made

The commission further asks, Mr. Hyett said, that perhaps motor carriers should carry \$5,000 property damage and take and keep in force cargo insurance in amount sufficient to cover at full value all property received for transportation, subject to a minimum security of \$750 per ton rated capacity per truck. Insurance agents say the average rated capacity of trucks is 2½ tons. If the I. C. C. decides to make

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# How to Determine Quickly Approximate Actual Cash Value of a Building

## New 1936 "Handy Table" for Appraising Now Ready

With figures brought up to date to January 1, 1936

Insurance adjustment of loss is made on a basis of ACTUAL CASH VALUE of the damaged property at the time of loss. And if there is a coinsurance clause in effect, the amount to be recovered depends also upon the relation between ACTUAL CASH VALUE and the amount of insurance carried on the property.

Thus it is quite important, in fixing the amount of insurance on a building, that the owner (and the agent also) know at least approximately what the ACTUAL OR INSURABLE VALUE of that building is. Only thus can precaution be taken that the amount of insurance is:

- (1) not less than it should be properly to protect the interest of the owner and
- (2) not greater than the actual value of the building—that the owner does not pay for insurance that he cannot collect.

## Values Have Changed a Lot These Last Twenty Years—and They Are Still Changing

### What Is the Insurable Value?

If you had something to carry in your inside coat pocket which would enable you at any time to arrive quickly and easily at the then approximate insurable values of various kinds of buildings it would help both you and your customers, wouldn't it?

You could then find out without delay whether the amount of insurance carried or proposed on a building is much greater than its insurable value, or much less than it should be to protect the assured and to comply with coinsurance requirements, if any.

## With the "Handy Table" you will be prepared at any time to do these very things

The "Handy Table" has been compiled and copyrighted by an experienced engineer. It has full and simple directions for use. It exhibits in a new way a method of determining approximate construction costs of different kinds of buildings for the years 1914 to 1936. It is the result of practical experience, is made for long, hard use and comes in a stout manila envelope, pocket size, AND IT COSTS BUT \$1.00. With it in your pocket you can quickly and easily convert original cost of building to the approximate present actual (insurable) value of that building. And if you cannot find out the original cost, the "Handy Table" supplies cubical contents rules for different kinds of buildings to help you in arriving at approximate reconstruction costs of buildings of different classes of construction and occupancy. In addition there is an insurance depreciation table. You won't want to part with the "Handy Table" because you will use it much to your advantage.

### What Users Say:

Mr. Winnard was showing me your Handy Table of building costs, which impressed me as being very accurate and quite practical. Send me one.

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I have already secured two copies of the above from you, but now would like to have an additional copy for which my personal check is enclosed.

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State Agent Dickerson has furnished us with a sample of your Handy Table for determining sound value of buildings. Your publication has much merit. Send us five copies for our field men.

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the minimum cargo policy \$750 per ton this would average \$1,875 per truck compared to an average of \$1,000 cargo insurance per truck as now carried.

The present insurance protection is costing the average truck operator \$230 a year, Mr. Hyett said. They also must pay workmen's compensation insurance premium of \$14.81 per \$100 in salaries paid, and the federal pension tax if they have more than 15 persons on their pay roll.

## Safety of Ships Endangered

U. S. Steamship Inspection Service Chief Says Discipline Being Destroyed at Sea

NEW ORLEANS, Feb. 12.—J. B. Weaver, chief United States steamship inspection service stated that discipline is being destroyed and safety of ships at sea undermined by activities of the so-called walking delegates of Pacific Coast maritime unions. He said it is time for government to back captains up in their efforts to maintain discipline and safety on their ships.

A study of conditions surrounding the "Morro Castle" disaster showed, he said, that had proper discipline been maintained loss of life would have been almost negligible. Factors being considered by the government are fire prevention and means of giving adequate warning of fire; subdivision of ship space so as to confine fires to as small a space as possible, and maintenance of efficient personnel on all vessels.

Mr. Weaver spoke with enthusiasm for major provisions of the Copeland bill, now in senate committee, which if passed would set up a national maritime authority with jurisdiction over all the country's shipping problems and activities. He also expressed himself in favor of a plan now under congressional consideration for liberalization of the RFC to lend money for rebuilding and repair of excursion boats, bay steamers and other craft to bring them up to the safety requirements of the steamship inspection service.

## AUTO DATA

By S. F. D. MEFFLEY  
Recording & Statistical Corp.

### NEW MODEL ANNOUNCEMENTS

Identification and specification data on all new 1936 passenger cars announced to date will be found in the January edition "Official Automobile Guide." Information on any additional cars will be found in these columns.

Data on the following commercial cars and trucks for 1936 will be found in the January edition: Biederman, Chevrolet, Condor, Divco, Dodge Brothers, Fageol, Ford, La France, Menominee, Moreland, Oshkosh, Reo, Sterling, Stewart, Walter and Willys-Ford.

### TRUCK MODEL DATA

Diamond T  
Starting November 20, 1935

*Load Cap Type	Model	F.O.B.	Serial No.
1 1/2	212A	\$ 595	204001 Up
1 1/2	212AL	595	68201 Up
1 1/2	212B	635	34551 Up
1 1/2	221	695	16601 Up
1 1/2	228	795	18301 Up
2	244	925	21701 Up
2	313	1125	22301 Up
2 1/2	320	1225	96651 Up
2 1/2	353	1425	93401 Up
2 1/2	360	1525	

Starting Jan. 2, 1936

*Load Cap Type	Model	F.O.B.	Serial No.
1 1/2	212A	\$ 595	204376 Up
1 1/2	212AL	595	204376 Up
1 1/2	212B	635	63271 Up
1 1/2	221	695	34759 Up
1 1/2	228	795	16624 Up
2	244	925	18383 Up
2	313	1125	21732 Up
2	320	1225	22327 Up
2 1/2	353	1425	96661 Up
2 1/2	360	1525	93444 Up
3	412B	2140	46149 Up
4	512DR	2440	46606 Up
4	512B	2440	62298 Up
5	512DR	2760	62858 Up

### Marmion-Herrington

1936 Load Cap Type	Model	F.O.B.	Serial No.
4 Wheel Drive			
2-2 1/2	B10-4	\$ 2,490	B10-4
2 1/2-3	B20-4	2,820	B20-4
3-3 1/2	B30-4	3,250	B30-4
3 1/2-4	B40-4	4,550	B40-4
4-6	B50-4	4,875	B50-4
5-6	B60-4	5,500	B60-4
6-7	B70-4	8,895	B70-4
7-9	B80-4	9,750	B80-4
7-9	TH415-4	11,875	TH415-4
8-10	TH420-4	12,750	TH420-4
6 Wheel Drive			
7-9	B40-6	6,350	B40-6
10-12	B70-6	10,420	B70-6
12-14	B80-6	11,900	B80-6
14-17	TH415-6	14,000	TH415-6
17-20	TH420-6	16,000	TH420-6
Diesels-4 Wheel Drive			
3-3 1/2	BD30-4	4,425	BD30-4
6-7	BD70-4	11,350	BD70-4
7-9	BD80-4	12,150	BD80-4
7-9	THD415-4	14,400	THD415-4
8-10	THD420-4	15,100	THD420-4
6 Wheel Drive			
10-12	BD70-6	12,850	BD70-6
12-14	BD80-6	14,350	BD80-6
14-17	THD415-6	16,650	THD415-6
17-20	THD420-6	18,400	THD420-6
All Wheel Drive Ford V-8 4 Wheel Drive			
1 1/2-3	B5-4x4	1,345	B5-4x4
1 1/2-3	B6-4x4	1,395	B6-4x4
6 Wheel Drive			
3-6	B5-6x6	2,425	B5-6x6
3-6	B6-6x6	2,475	B6-6x6
6-4 Wheel Drive			
3-6	B5-6x4	1,945	B5-6x4
3-6	B6-6x4	1,995	B6-6x4

### Walker

1936 Load Cap Type	Model	F.O.B.	Serial No.
1-1 1/2	400-LA	\$1,380	9663 Up
1	405	1,450	
1	405-LA	1,525	
1 1/2-2	420	1,800	
2 1/2	425	2,400	
3	430	2,500	
4	440	3,400	
5-6	450	3,650	

### Duplex

1936 Load Cap Type	Model	F.O.B.	Serial No.
3-4	SAC	\$4,800	11037 Up
5	SAK	5,200	11037 Up
5-7	K	5,650	12020 Up

### Day-Elder Truck

1936 Load Cap Type	Model	F.O.B.	Serial No.
1 1/2	76	\$ 945	3671 Up
2	86	1,245	3056 Up
2 1/2	111	1,495	3673 Up
3	131	2,045	3645 Up
3 1/2	161	2,495	3662 Up
4	201	2,945	3611 Up
5	241	4,095	3623 Up
5	151T	1,695	363 Up
4	211T	2,175	362 Up
5	251T	2,950	361 Up
6	281T	3,350	361 Up
7	301D	4,000	361 Up
8	331D	4,895	362 Up
25 Ps. Bus	25	4,000	363 Up
30 Ps. Bus	30B	5,600	364 Up

### Terraplane Commercial

1936	Model	F.O.B.	Serial No.
3/4	Cus. Pan. Del.	685	61,101 Up
1/2	Util.	580	61,101 Up
3/4	Cap Pickup	560	61,101 Up
3/4	Cus. Sta. Wag.	750	61,101 Up
3/4	Chassis	445	61,101 Up
3/4	Chas. W/Cab	530	61,101 Up

\*All types chassis unless otherwise specified.

## CANADIAN

### Opens Branch in Winnipeg

The Gore Mutual has established a branch office in the Toronto General Trusts building in Winnipeg. The manager is A. R. Ivey, who was secretary and organizer of the Retail Merchants' Association in the province for more than 20 years, resigning his post with that organization about a year ago. It is reported the company plans to extend its activities into the remainder of the Prairie provinces.

### Withdraws From Province

The National Security Fire has ceased to carry on business in British Columbia, and has applied to the minister of finance to withdraw its deposit there. All unexpired policies have been reinsured with the Camden Fire.

### Takes Provident Assurance

The Provincial Service Agency of Toronto is now handling the business of the Provident Assurance in Ontario. This firm is already acting as general agents for the Providence Fire of Paris, and the Switzerland General.



## Tentative Motor Carrier Proposals

(CONTINUED FROM PAGE 5)

There must be insurance, self-insurance or surety bonds, etc., providing for indemnity to shippers or consignees or both for loss or damage to property belonging to shippers and consignees coming into possession of the motor carrier for transportation. The motor carrier must have minimum cargo insurance on each motor vehicle or trailer in the sum of \$750 per ton rated capacity.

### Terminal or Warehouse

On each terminal or warehouse must be a sum equal to one-half the minimum applicable to a motor vehicle or trailer, multiplied by the number of vehicles owned, operated or hired, the total amount thus established to be divided by and apportioned to the number of terminals and warehouses as required.

No license shall be issued to a freight broker until there has been filed with the commerce commission satisfactory surety bond or other security in an amount not less than \$5,000 as will insure financial responsibility and the supplying of authorized transportation in accordance with contract.

Surety bonds must be for the full limits required and the corporate form of bonds may be written only by surety companies approved by the United States treasury department.

An insurance policy must be written by one insurance company for the full limits required. The policies must be written by companies authorized in each state in which the motor carrier operates and which has a financial structure at least equal to that required under regulations of the treasury department applicable to bonding companies authorized to write bonds covering the liability of motor carriers.

### Self-Insurance Requirements

A motor carrier may qualify as a self-insurer if it has a financial condition approved by the commission showing a minimum net worth of at least \$200,000. A concern with surplus of \$200,000 may operate as a self-insurer with one to 20 buses and one to 40 trucks or trailers; a concern with \$300,000 may operate 21 to 30 buses and 41 to 60 trucks or trailers. The limits are increased as the surplus increases. A concern with \$1,000,000 net worth may operate 101 or more buses and 151 or more trucks or trailers.

The Statutory Underwriters Bureau of 111 John street has filed a criticism of the recommendations. This bureau was formed some years ago to represent the interest of a number of auto casualty companies engaged principally in underwriting the liability insurance of taxicabs and buses required by state laws. It operates principally as a rating organization and also acts in legislative matters. S. D. MacPeak, general counsel, is a former deputy superintendent of insurance of New York.

The bureau points out that under the 1935 act practically all trucks in the country engaged in carrying merchandise for hire will be forced to file policies of insurance with the commerce commission. This is so because not only are trucks engaged in interstate commerce included, but also trucks operating intrastate so long as they are engaged in hauling merchandise which originated in another state.

### Regulations Too Drastic

The Statutory Underwriters Bureau expressed the belief that the proposed regulations are entirely too drastic.

The bureau proposes a lower scale of limits. For passenger vehicles with a seating capacity of 12 or less, limits of \$5,000/\$15,000 for bodily injury are proposed. For vehicles with seating capacity of 13 to 20, limits of \$5,000/\$25,000 are favored; for those with a seating capacity of 21 to 30, limits of \$5,000/\$40,000 are suggested and for those with seating capacity of 31 or

more, limits of \$5,000/\$50,000 are favored.

Limits of \$5,000/\$10,000 public liability for freight carriers are proposed.

For cargo coverage the bureau proposes \$2,500 limits of liability per unit with \$5,000 maximum provision under the policy.

On each terminal or warehouse the bureau favors cargo insurance in a sum equal to \$1,000 for each unit operated.

The bureau suggests that property damage and public liability policies may be written by one or more companies as long as the total insurance is in accordance with the full limits required.

### Acceptability of Companies

As to acceptability of companies, the bureau proposes that policies covering public liability, property damage and cargo be written by an insurance company authorized in the state in which the motor carrier is domiciled and maintains its principal office, provided such company is able to show at least \$100,000 surplus to policyholders and have on deposit \$100,000 securities with either its home state or any other state.

The bureau also suggests changes in the wording of the proposed rule concerning self-insurers, but does not criticize the scale of limitation proposed by the bureau of motor carriers.

The limits of liability suggested by the Statutory Underwriters Bureau, according to Mr. MacPeak, follow the accepted limits of liability in most states where compulsory insurance for trucks and buses is in effect. To raise the present generally accepted requirement is going beyond the term "reasonable rules and regulations" as Congress has expressed in the act, according to Mr. MacPeak.

### Mutuals, Reciprocity Left Out

The Statutory Underwriters Bureau points out that there is no provision in the treasury department ruling for a mutual or reciprocal company. Accordingly, if the commerce commission were to follow the letter of the law as far as the treasury department rulings are concerned, only stock companies with a paid in capital of \$250,000 or more would be eligible to file policies.

The statutory bureau expresses the belief that consideration should be given to the cooperative nature of mutuals and reciprocals and the fact that in place of a paid in capital they have the right to assess policyholders. Therefore the statutory bureau proposes that mutuals and reciprocals be accepted that have \$100,000 surplus.

The Statutory Underwriters Bureau asked that members take these proposed rules up with their insurance departments and attorney-generals for a study of the practicability and legality of the proposed rules. The Statutory Underwriters Bureau expresses the belief that the question of state rights may well be involved and the constitutionality of the motor carrier act attacked if the proposed rules of the commission are made permanent.

## Thirty-fifth Anniversary of National Union Fire

(CONTINUED FROM PAGE 3)

Pittsburgh, but its growth was so rapid that by 1922 it was necessary to effect greatly enlarged quarters, so the home office building, now occupied at 139 University Place, was erected and subsequently an annex built that tripled the floor area.

### Change in Management

The company's early career was guided mainly by E. E. Cole. In July, 1931, Mr. Cole retired and the management was assumed by John M. Thomas as president, assisted by Henry A. Yates in the capacity of vice-president.

With the change in management, the company's underwriting policy was revamped, resulting in a marked reduction in income, but the wisdom of this move is confirmed by the experience as emphasized in the present financial standing.

The following agents have represented the National Union continuously since the year of its organization: D. E. Dale, Butler, Pa.; H. H. Nichols, Girard, Pa.; William Fromm, Mt. Oliver, Pa.; Al. C. Lermann, Sandusky, O.; O. E. Aleshire, Chicago; William T. Kelly, Mt. Clemens, Mich.

## Manhattan and Bronx Fire Premiums for 1935 Decrease

(CONTINUED FROM PAGE 5)

Pennsylv. Fire..	101,433	113,869	108,340
Std., Tren., N. J.	96,884	128,708	112,098
London Assur..	94,518	95,110	92,020
Law Un. & Rock	92,506	93,813	90,271
Alliance of Phil.	90,288	97,707	86,975
Empl. F., Boston	90,189	102,244	89,746
North'n of Lon.	88,131	66,640	86,080
British & For'n.	86,896	72,089	36,041
Pacific Fire....	83,494	68,176	74,922
Camden .....	83,137	90,860	79,915
Girard F. & M.	82,116	73,736	61,552
Lbrm'n's of Phil.	81,692	39,662	21,127
Atlas of London	81,148	70,967	67,231
Amer. Central..	78,922	77,622	84,623
Royal Exch....	78,080	84,960	79,081
Western of Can.	72,948	74,670	59,703
Conn. Fire....	72,851	80,070	76,270
Amer. & For'n.	70,794	64,716	52,187

### Agencies Writings Shown

The figures of the leading agencies are:

	1935	1934	1933
Central Fire Agency, Inc.	\$737,819	\$745,052	\$711,489
Hoey & Ellison.	732,381	751,039	720,552
Hall & Henshaw	615,772	627,035	615,610
Willard S. Brown & Co. Inc.	418,534	444,486	421,277
Wallace Reid & Co., Inc.	416,653	434,430	406,567
Pioneer Agency, Inc.	394,261	436,891	206,830
F. H. Ross Agcy.	381,032	429,673	324,406
McDaniel, Maer & Co.	364,132	394,064	405,623
Fowler & Kavanaugh, Inc.	343,642	364,835	412,929
W. H. Koop...	331,275	315,099	309,920
W. L. Perrin & Son	329,997	327,391	332,132
C. W. Sparks & Co., Inc.	293,268	325,048	294,688
Zweig, Smith & Co., Inc.	239,676	257,592	243,134
Mills & Honness, Inc.	232,982	231,301	219,822
R. B. McFalls & Son, Inc.	220,114	247,576	214,266
William Schomer & Co.	213,649	196,138	148,048
Willis Agency, Inc.	\$207,596	\$255,255	\$18,292
Lockwood Agcy., Inc.	199,889	235,995	226,285
Whitehill Agcy., Inc.	198,444	201,488	227,652
Fuller & Kern.	197,164	217,975	231,327
Irvin Agcy., Inc.	179,877	149,710	141,297
Rose & Bala, Inc.	173,813	212,078	217,513

The ten leading groups and their comparative totals for the year were:

	1935	1934	1933
Home of N. Y.	2,036,924	1,957,733	1,961,440
Amer. Fore...	1,437,557	1,577,253	1,388,940
Great Amer...	1,108,769	1,060,503	1,049,883
Royal-Liverpl.	1,070,105	1,086,000	1,051,508
Crum & Fstr.	842,178	942,958	950,963
Corroan & Reynolds	796,668	842,527	759,599
N. Br. & Mer.	705,492	702,567	640,119
Firmen's N. J.	674,534	724,365	705,074
Coml. Union..	645,452	582,456	551,822
North Amer...	625,287	660,600	648,822

## President Bulkley Tells of the Year's Operations

(CONTINUED FROM PAGE 5)

12.33 percent. The investment income showed an increase of \$13,900. The assets are \$30,363,849, net surplus \$11,571,651, net premiums written \$11,406,000, premium reserve \$11,073,888. The expenses including loss adjustment amounted to 48.91 percent and the loss adjustment expenses paid 2.15 percent, losses incurred 35.23 percent, increase in premium reserve 1.38 percent.

The Sentinel showed assets \$2,457,690, increase \$221,957; net surplus \$1,051,432, increase \$220,042; premiums

\$335,188, increase \$8,009; premium reserve \$325,631, increase \$4,603. Its expenses including adjustment of losses was 50.17, its incurred loss ratio 35.21 percent. Its trade credit was \$41,796 or 12.47. The underwriting credit was 11.10 or \$37,193.

The Michigan F. & M. showed assets \$3,863,023, increase \$381,175; net surplus \$1,224,992, increase \$335,514; premiums \$1,340,750, increase \$32,103; premium reserve \$1,302,524, increase \$18,412. The expense ratio was 50.14 and the incurred loss ratio 35.21, the trade credit \$167,645 or 12.5 percent, the underwriting credit \$149,233 or 11.13 percent.

## Springfield F & M Changes Titles

(CONTINUED FROM PAGE 5)

sas and Oklahoma with headquarters at Fredonia. He was made state agent for Kansas in 1892 and later was appointed general agent for Kansas and Missouri. He became assistant manager in the western department in September, 1911, and on Jan. 1, 1921, became one of the joint managers. Mr. Lininger is prominent in the organizations. He is vice-president of the Farm Insurance Association and is much interested in the organized activities of the business.

### Dornin Started as an Agent

Mr. Dornin started as a local agent for the Springfield at Everett, Wash., in 1892, and three years later became special agent of the company jointly with the National of Hartford, having jurisdiction over Washington, Idaho and Montana. In 1902 he was appointed second assistant manager of the Pacific Coast department, later assistant manager and became manager in May 1930.

Mr. Frazier has had a wide experience in insurance. He served the National Inspection Company, then joined the Springfield in 1907 as special agent in Illinois, becoming Wisconsin state agent in 1910. In 1923 he was made superintendent of agents in the western department and assistant manager in 1928. He has traveled with the field men in all western department territory.

### Peterson Rounding Out Thirty Years

Mr. Peterson has been employed continuously by the Springfield 30 years next September. He took the Northwestern University law and commerce course. He served in the improved risk department, then became special agent in Minnesota, returned to the western department as examiner and then took the position of underwriting supervisor, subsequently office superintendent and then agency superintendent.

Mr. Bulkley is a son of President Bulkley of the company. He is a graduate of Yale and went with the National Board as an engineer. He did field work in New England and New York state. Leaving the Niagara Fire, which he was serving in the field, he was elected resident secretary of the Springfield on July 1, 1930. He was appointed deputy manager of the Pacific department in 1932.

### Rural Fire Waste Problem

The Illinois Farmers Institute & Department of Household Science, which is the most prominent agricultural educational organization in the state, will hold its annual meeting at Belleville Feb. 19-21. This year for the first time this organization has taken cognizance of the rural fire waste and has placed this subject on their program. The subject will be discussed before the convention on Wednesday afternoon by Dennis C. Smith, state agent in Ohio and Michigan for the farm department of the Continental and Fidelity Phenix Fire and a member of the agricultural committee of the National Fire Waste Council. A very large attendance of the most representative farm men and women of the state of Illinois is expected at this meeting.



## Pittsburgh Day Big Social Event

(CONTINUED FROM PAGE 3)

concluded there is a time and place for everything and that this was not the time and place. Accordingly he announced that his talk had been released to the papers and those who were interested could read it later. The leaders in Pittsburgh chose Mr. Pink's subject for him because they hoped what he would prepare would provide ammunition to combat the activities of those institutions deviating from standard automobile rates in the state. The automobile rate situation is probably the most discussed problem of the day among bureau casualty people and their agents in Pittsburgh. The competition is fierce, not only from companies operating nationally, but from a good many local Pennsylvania companies.

The only sustained speech of the evening was given by Ernest Palmer, insurance director of Illinois. There was much joshing on the part of the toastmaster and the other speakers to the effect that Mr. Palmer was prepared to give a lengthy speech and he had asked that the others on the program sacrifice part of their time.

Mr. Palmer, who always can be counted upon to entertain with a fund of stories and also to hold the interest of the audience in the subject matter and method of presentation of the body of his address, made a novel talk. His subject was: "Recodification of Insurance Laws."

Mr. Palmer had searched his Shakespeare and discovered portions that lent themselves to paraphrasing so as to touch off the famous insurance code situation in Illinois. Those familiar with the Illinois code situation were able to detect the persons that Mr. Palmer had in mind and the various issues involved, in the paraphrased version.

Abandoning Shakespeare for a time, Mr. Palmer asserted that a revision of the insurance laws is necessary in every state. However, he said, insurance men are afraid of such a course. Proposal for a comprehensive revision of the laws stirs misapprehension, fear and doubt on the part of insurance people, he said. There is enough ability in the insurance ranks, he said, to draft a fair, up-to-date, model insurance code. Unless this is done and a greater degree of uniformity in state regulation is obtained, Mr. Palmer predicted that the business is headed for federal regulation.

Mr. Palmer criticized the companies for what is charged as a negative legislative attitude. He observed that they devote most of their energy to defeating legislation and give very little attention to initiating new, desirable legislation.

"The companies," he said, "have spent time and money killing snakes and haven't had time to plant flowers." Most company executives, he declared, would rather trust to ills they know than flee to those they know not of. He charged that insurance company executives worship precedent too much. They fear to embark on a new and modern course and prefer to follow a tortuous path.

Mr. Palmer had prepared his address in such a novel and entertaining way that those who had not been following the Illinois code situation were interested and gave him an enthusiastic response. Those who had been antagonists of Mr. Palmer so far as the Illinois code is concerned gave him full credit for having delivered something exceedingly clever and amusing.

### R. H. Alexander Presides

R. H. Alexander of the Hoover & Diggs Company agency opened the luncheon session, as president of the Insurance Club of Pittsburgh. He conducted a brief memorial service in honor of the late F. S. Guthrie, the first president of the insurance club, who died just recently. He then presented a traveling bag to W. S. Diggs of the Hoover & Diggs agency. It so happened that this was Mr. Diggs' 74th birthday. He is well known as the founder of the insurance federation plan. He started in Cincinnati and subsequently helped to organize federations in 13 states. He has been in Pittsburgh 20 years.

Mr. Alexander turned the meeting over to C. C. Kohn, president of the Fire Insurance Agents Club of Pittsburgh. He presented K. H. Bair, who introduced W. O. Wilson as "the man who is to be elected president of the National Association of Insurance Agents at the annual convention in Pittsburgh this fall."

Mr. Bair was sought out afterwards and asked whether he was making a prediction or an announcement in stating that the convention would be held in Pittsburgh. He replied he is confident that Pittsburgh will be selected.

Mr. Wilson said that the company-agency conferences these days are avoid-

ing controversial subjects. Both agents and company executives are adhering to the long range viewpoint. An attempt is being made to find a solution to the problem of non-stock competition. Since it was determined to confine discussion to that subject, the atmosphere has been cleared and he expressed the belief that something constructive will be offered soon.

Mr. Wilson, who is given credit for having brought about the formation of the Stock Company Association under which the rights of agents are recognized in Home Owners Loan Corporation business, said that this association is functioning well and is keeping the insurance business for insurance men.

J. M. Thomas responded briefly touching on some phases of company-agency cooperation.

Mr. Alexander also opened the banquet program by introducing Mr. Hunt as the toastmaster.

Just before the evening program was concluded, Mr. Hunt introduced E. S. Joseph of the Pennsylvania department and E. L. Weimer, deputy attorney-general.

### Business of Farmers' Mutual

The amount of fire insurance on farm property carried by farmers' mutual companies in the United States at the close of 1933, the latest year for which figures are available, totaled \$10,487,863,637, according to the Bureau of Agricultural Economics. This represents a decrease of about half a billion from the 1932 total which was \$10,974,082,182.

The decrease probably was due not to a reduction in the number of properties insured but to a reduction in the amount of insurance carried on the properties as a result of decreased farm values, says the bureau. There were 1,831 farmers' mutuals doing business at the close of 1933. Approximately one-half of all the farm property in the country is insured by these mutuals.

Fire losses paid by farmers' mutuals in 1933 amounted to \$22,735,361 or 74.4 percent of the total expenditures, and operation expenses amounted to \$7,808,748 or 25.6 percent. Losses amounted to 21.3 cents per \$100 of insurance and expenses amounted to 7.3 cents.

Walter Carroll, local agent at South Milwaukee, Wis., is seeking the nomination for mayor of that city to oppose the present incumbent.

McDermid, Miller & McDermid, Vancouver, established an insurance department under the management of W. J. Mills, the founder of Mills Insurance, Ltd., which has been acquired.

## Sidelights of Pittsburgh Insurance Day Activities

The National Union Fire took a very prominent part in the Pittsburgh Insurance Day celebration. John M. Thomas, president of the National Union, was chairman of the guest committee and he was busy throughout the day and evening, dispensing hospitality. This Pittsburgh function always attracts a large attendance of home office executives, but this year with 90 on hand a record was set. Mr. Thomas is given a good deal of credit for inducing so many head office people to attend.

Practically the entire official family of the National Union was on hand during the evening, including President Thomas, Chairman John S. Fisher, Vice-president H. A. Yates, Secretary F. J. Breen and President A. G. Kaufmann of the affiliated Birmingham Fire.

\* \* \*

W. A. McConnell, United States manager of the Century of Scotland, was accompanied by D. N. Iverson, who has just been appointed general agent of the Century and the affiliated Pacific Coast Fire. They were joined by B. D. Prince, Pennsylvania state agent.

The U. S. F. & G. organization is always well represented at Pittsburgh. This year Assistant Agency Superintendent J. Dillard Hall of the U. S. F. & G. and Vice-president H. F. Ogden of the Fidelity & Guaranty Fire were present. A. C. Supplee, Pittsburgh manager of the U. S. F. & G., is a prominent factor in the city and is a past president of the Pittsburgh Insurance Club.

Frank D. Moses, secretary-manager Pennsylvania Association of Insurance Agents, was seated at the head table during the luncheon.

J. W. Scherr, president of the Inter-Ocean Casualty, attended and took the opportunity of being in Pittsburgh to hold an agency meeting the next day with Pittsburgh Manager A. C. Fegan.

Col. H. P. Dunham, vice-president of the American Surety, was the subject of a humorous remark by L. H. Pink, insurance superintendent of New York, during the banquet program. Mr. Pink remarked that Col. Dunham was formerly boss of insurance in Connecticut and is now bossing the insurance superintendent of New York. Col. Dunham had traveled with Mr. Pink from New York and had made the arrangements. Col. Dunham was formerly insurance commissioner of Connecticut.

Among the chief executives present were R. R. Clark, United States manager of the Caledonian; J. M. Haines, U. S. manager of the London Guarantee-Phoenix group; L. A. Harris, president American Automobile; Jesse S. Phillips, chairman of the Great American Indemnity; G. W. Unverzagt, president of the Allemania; Harold Warner, U. S. manager Royal-Liverpool group.

Henry S. Bepler is always one of the busiest Pittsburghers during Pittsburgh Insurance Day. He was chairman of the ticket committee and he was engaged throughout the day in seeing that things moved smoothly.

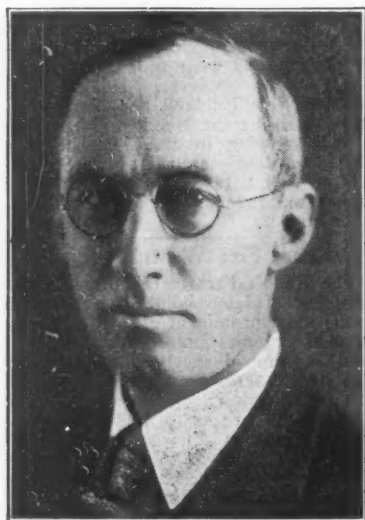
Among those present was C. J. Johnson, special agent, and H. W. Drum, comptroller of the Alfred Paul & Son general agency of Wheeling, W. Va.

### Book on Auto Financing

NEW YORK, Feb. 12.—In a circular letter entitled "Recapturing Premiums Incident to Automobile Financing," the Morris Plan Industrial Bank of New York sets forth its views upon the subject. It holds the placing of insurance on financed cars is the function of agents and brokers, and not of banking institutions or automobile agencies, and offers its services with that understanding.

The following insurance firms have been incorporated in Maryland: Colonial Insurance Agency, Baltimore, to engage in general insurance; 500 shares common stock, par \$100. Incorporators, W. S. Briddell, W. C. Briddell and Nathan Patz, Baltimore. Davis and Davis Insurance Agency, Baltimore; to engage in general brokerage business; 50 shares common stock, par \$100. Incorporators, Meyer Davis, Henry Davis and Eli Davis, Baltimore.

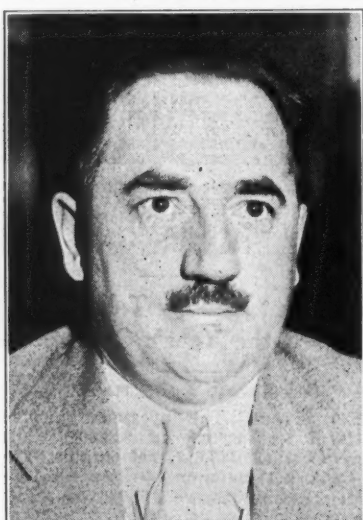
## INSURANCE COMMISSIONERS FEATURED



ERNEST PALMER

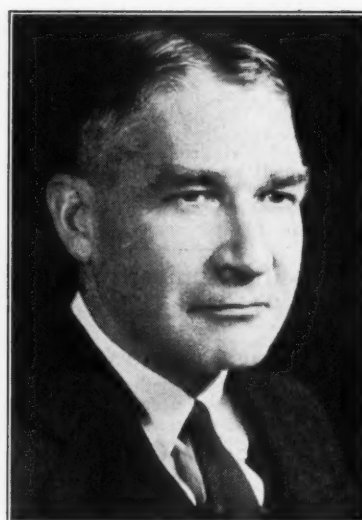
Three prominent insurance commissioners were featured during the Pittsburgh Insurance Day celebration this week.

Insurance Commissioner Hunt of



O. B. HUNT

Pennsylvania was the toastmaster at the banquet. Insurance Superintendent Pink of New York prepared an address but concluded not to deliver it, as he said it was heavy fare following the banquet.



L. H. PINK

Insurance Director Palmer of Illinois made a clever talk on the question of codification of insurance laws and brought home his points in subtle fashion by paraphrasing Shakespeare.



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# GENERAL ACCIDENT

## UNITED STATES BRANCH

*Financial Statement, December 31, 1935*

### ADMITTED ASSETS

*United States Government Bonds.....	\$ 4,949,957.00
*Federal Land Bank Bonds.....	613,746.00
*State, County and Municipal Bonds.....	2,599,181.02
*All Other Bonds and Stocks.....	14,600,707.05
First Mortgages and Collateral Loan.....	146,752.47
Real Estate .....	937,457.57
Cash on Hand and in Banks.....	1,204,535.11
Uncollected Premiums not over ninety days and Sundry Balances	3,311,026.20
Accrued Interest .....	205,770.33
	<b>\$28,569,132.75</b>

### LIABILITIES

Unearned Premiums .....	\$ 7,712,565.45
Reserve for Losses.....	8,989,678.00
Reserve for Taxes and all other Liabilities .....	1,516,211.05
<b>General Contingency Reserve.....</b>	<b>1,200,000.00</b>
<b>Additional Voluntary Reserve.....</b>	<b>687,399.00</b>
<b>Deposit Capital .....</b>	<b>\$ 550,000.00</b>
<b>Surplus Over Deposit Capital and all Liabilities ..</b>	<b>7,913,279.25</b>
<b>Surplus to Policyholders.....</b>	<b>8,463,279.25</b>
	<b>\$28,569,132.75</b>

\*Valuation on National Convention of Insurance Commissioners' Basis. On the basis of December 31, 1935, Market Quotations for all Bonds and Stocks owned, this Corporation's total Admitted Assets would be increased to \$29,249,872.20 and Surplus to Policyholders to \$9,144,018.70.

Securities carried at \$1,046,846.00 in the above statement are deposited for purposes required by law.

# GENERAL ACCIDENT

## FIRE AND LIFE

### Assurance Corporation, Ltd.

FREDERICK RICHARDSON, U. S. Attorney and Managing Director

JAMES F. MITCHELL, United States Manager

General Building, Fourth and Walnut Streets, PHILADELPHIA



# The National Underwriter

February 13, 1936

CASUALTY AND SURETY SECTION

Page Thirty-five

## Producers Submit Views on Project

Retrospective Rating Plan for Compensation Under Consideration Following Conference

### IDEAS TO BE ANALYZED

National Casualty Bureau to Present Proposal to Company Officials Before Long

NEW YORK, Feb. 12.—Following the general conference at the office of the National Bureau of Casualty & Surety Underwriters here, when the proposed retrospective plan for rating workmen's compensation risks was explained to representatives of the National Association of Casualty & Surety Agents, National Association of Insurance Agents and National Association of Insurance Brokers, by William Leslie, associate general manager of the bureau, suggestions were invited from the production men.

#### Producers to Submit Views

On behalf of the brokers' organization its president agreed to submit its views in writing immediately. While there were a number of points in connection with the plan upon which the agents desired enlightenment, no date was set upon which these were to be offered. When Mr. Leslie has received and analyzed the suggestions, the result will be laid before company officials for their comment. It is possible a further conference of the interests will be held.

The retrospective rating plan as submitted was in tentative form and may be considerably altered before adoption. It developed at the gathering that the Travelers has been experimenting with the idea for several years with satisfactory results. It cited a number of risks upon which loss experience was markedly improved through the incentive provided in the plan for the assured to supply accident prevention safeguards for employees.

#### Much Work to Be Done

While the actuarial formula has been carefully worked out, considerable yet remains to be done before the program will be in such shape as to warrant acceptance by the companies generally.

The retrospective plan is intended for application to risks paying \$5,000 or more annual premium. It is expected to appeal especially to self-assurers.

#### Hope to Reclaim Risks

It is hoped through the retrospective plan to reclaim risks that have gone on the self insuring basis, because this will afford assured the opportunity of cutting down their insurance cost through safety methods. Some plants have highly organized safety mechanisms and are only really interested in catastrophe insurance. The local agents

(CONTINUED ON PAGE 46)

## Palmer's Hearings Bring Complication of Issues

Companies Produce Potent Arguments for Auto P. L. Defense Clause

In answer to the challenge of Insurance Director Palmer of Illinois, the casualty people mustered a very complete and effective justification for the use of the so-called defense clause in the automobile liability contract at the hearing on the question. Mr. Palmer raised the issue whether the recent decision affecting the Chicago Motor Club did not at the same time prohibit casualty companies from including in their automobile contracts the agreement to defend the assured in court.

The heart of the argument of the companies was that the motor club decision was concerned only with the practice of the motor club in agreeing to provide legal service for members involved in traffic violations and in property damage cases. The Inter-Insurance Exchange of the Chicago Motor Club was not involved in the case and the speakers pointed out that there was no real insurance issue involved. The insurance companies in their contracts have the right to agree to defend the assured, because the insurance company has a very real interest in the litigation.

#### Mitchell Is Spokesman

E. V. Mitchell, general counsel of the Continental Casualty, was the spokesman for the committee representing the Association of Casualty & Surety Executives. He pointed out that under the motor club practice, which was outlawed, the member was merely engaging a lawyer by the year. The only thing, he contended, that was decided in the motor club case was that the club had no right to defend criminal actions. There is no relation of that decision to the defense clause in the liability contract.

Insurance companies, under their policies, he pointed out, have great interest in the litigation. He cited the general law that anyone interested in litigation has the right to appear. He cited surety cases whereunder the endorser has the right to appear. The corporation act of Illinois, in prohibiting corporations from practicing law, makes an exception for insurance companies. The Chicago Bar Association has a rule prohibiting corporations from practicing law, save in a bona fide case of guaranty or insurance. It is significant, according to Mr. Mitchell, that throughout the years there have been practically no cases whereunder the right of insurance companies to defend has been challenged. When the liability policy was first issued, it was attacked on many grounds but the question was never raised that the insurance companies were practicing law.

The American Bar Association, he said, in 1931 gave consideration to unauthorized practice of law and the committee cited 13 instances of unlawful

(CONTINUED ON PAGE 46)

Blanket Bond Discussion Reveals Move to Revive Illinois Insurance Code

SPRINGFIELD, ILL., Feb. 12.—Insurance Director Palmer announced a scheduled meeting here with a group of Chicago insurance men was postponed at the request of the Chicagoans. The conference was to have considered possible revival of the Illinois insurance code. Mr. Palmer stated that no future date for such a meeting was set and that he was awaiting further word from the Chicagoans.

From the hearings held in Chicago on the call of Insurance Director Palmer of Illinois in connection with two issues raised by the insurance director affecting casualty and surety companies, came the decision to attempt to revise a large portion of the twice rejected Illinois insurance code and obtain its passage at one of the special sessions of the legislature now in progress.

This was a decidedly unexpected turn. By adroit maneuvers Mr. Palmer steered the stock casualty companies into the position of agreeing to confer with the insurance department and other insurance interests in the matter of polishing the code for presentation to the legislature and of discussing the best means of obtaining its passage. When the code was introduced the second time, the Association of Casualty & Surety Executives took the leadership in opposing its passage.

#### Blanket Bond Issue

The hearing at which this situation developed was on the subject of the right of surety companies to issue brokers' blanket bonds, which include insurance against the hazard of loss of money and securities by fire.

Following the time that Mr. Palmer called the hearing but before the hearing was called, house bill 106 had been introduced in the Illinois legislature at the instance of the surety companies, legitimatizing the writing of bankers' blanket bonds. This measure passed the house, but its progress in the senate was stopped by Mr. Palmer, who lobbied against it.

At the hearing E. M. Allen, executive vice-president of the National Surety, acted as spokesman for the committee representing the Surety Association of America. Mr. Allen adopted a conciliatory note. He said the companies were not disputing Mr. Palmer's interpretation of the laws. He said they would be willing to cooperate in framing legislation, suitable to the insurance department, that would legitimatize the coverage in question. He offered to appoint a committee to confer with Mr. Palmer in drafting such legislation, saying that the companies wanted whatever legislation was introduced to have the department's approval.

The bomb shell burst a little later

(CONTINUED ON PAGE 46)

## Pink Gives Case for Standard Rate

In Undelivered Speech in Pittsburgh, N. Y. Superintendent Discusses Auto Problem

### BAR UNSOUND DEVIATIONS

Contends Standard Tariff Produces Orderly, Efficient Basis Rather Than Competitive War

Insurance Superintendent Pink of New York prepared a paper on "Compulsory Auto Insurance and Uniform Rates" to present during the banquet program of Pittsburgh Insurance Day. Mr. Pink surveyed his audience, glanced at his watch and noticed on the program that dancing was to follow. He, therefore, concluded that the audience was not in the mood to listen to the discussion of such a serious subject and he announced that he would not deliver the speech. He said that it had been released to the papers and that those who were interested could read it.

Mr. Pink, in his undelivered address, observed that deviations from the established automobile rates in New York are permitted only where a company shows an underwriting profit after deduction of the proposed discount both statewide and country-wide for a substantial period of years and of a substantial volume. Such a company must show consistently profitable results in the state and in its general business. The company must prove that it has unquestionable financial strength.

#### Unfair Discrimination

Mr. Pink contended that this elimination of "haphazard and varying discounts" prevents unfair discrimination and a competition. It is possible for a company to earn the right to charge a lower rate and thus increase its business in a legitimate manner. He declared that if a company were permitted to discount rates in one territory and not in another, or in one classification and not in another, it would be an opportunity for competing ruthlessly in one territory or classification and making good by higher charges in another.

Mr. Pink said in some states there is said to be a tendency to cut rates below a price in which there is a fair profit in areas where there is competition and make up for it by increasing rates in other regions where the rate is sufficient. This cannot be done in New York without violating the rating law. Proposed increases and decreases filed by the rating bureaus are checked by the experience of each area and discrimination is difficult. This applies to attempts to give low rates to special classifications, such as furniture movers or department store delivery fleets or buses, to be made up by higher rates in other classifications. Rate changes are not permitted

(CONTINUED ON LAST PAGE)

## Unusual Experience in A.&H. Hints of No Manual Change

### TWO YEARS' DATA IGNORED

**Aetna Life Secretary Tells Philadelphia Club Business Now Is Well Stabilized**

PHILADELPHIA, Feb. 12.—There will be no changes in the accident and health manual for several years, Logan Bidle, assistant secretary Aetna Life, informed the Accident & Health Club of Philadelphia at the second of its series of educational lecture meetings. He told how the Bureau of Personal Accident & Health Underwriters had started collecting data in 1931. Due to economic conditions, 1932 and 1933 witnessed abnormal loss ratios. These figures, the Bureau believed, were not a real guide in normal times, so it is eliminating these two years in its statistical work for rate-making purposes and manual changes.

Lapse ratio was remarkably low under normal conditions, he said. The high frequency of accidents in the last ten or 15 years demolished all established theories of underwriting. However, since 1928 the companies have gotten together and stabilized the business pretty well.

Loss ratio on the occupational hazard was improved. On the preferred class it ran about 6 percent and was somewhat higher in higher classifications. Non-occupational hazards, such as sports, automobile, airplane, etc., were increasing. Because of this, he said, it was impossible today to gauge the accident frequency for the future.

#### Gives Credit to Clubs

Mr. Bidle said the companies' action in adopting uniform policy forms had something to do with increased activities of accident and health clubs. The accident business is in active competition with other lines and it is necessary to carry on with educational meetings in order to answer problems of agents as well as underwriters.

"Every producer," he said, "should make a general appraisal of the business, consider the economic need for the form of insurance and the opportunity for its sale; the forms of policies developed to meet the need of the insuring public; a comparison of the cost with benefits provided; the commissions to be earned under new business and renewals, and what that accumulation will mean to him from an earnings standpoint. He should not overlook the many advantages afforded the producer who becomes active in solicitation of accident insurance in developing other lines of insurance among his accident policyholders."

#### Great Opportunity Offered

"It would be strange indeed if the producer would fail to recognize there is a real economic need for this form of insurance and a real opportunity for the sale of this business. This opportunity has been tremendously enlarged in recent years since the advent of the medical expense feature which has been made so attractive to the so-called unemployed group, such as housewives, students, etc."

Mr. Bidle said there are 1,098 occupations in the first four classifications, A to D, and 1,618 occupations in the remaining nine classifications, E to M.

In his company it is found that 96.55 percent of business in force was written in the first four classifications, leaving only 3.45 percent in the nine classifications. Bureau figures show 96.15 percent in the first four classifications and 3.85 percent in others.

Investigation showed 84.81 percent of the business in the classifications was produced in 28 general occupational groupings. The problem in use of the manual, he said, therefore can be reduced to the minimum if solicitation is confined to the major groupings.

## Travelers Annual Automobile Book Is Now Being Issued

The new annual automobile accident booklet published at the home office of the Travelers is now being distributed. It comes under the title of "Live and Let Live." It contains 40 pages, many of which are illustrated in color. The



booklet gives 18 tables of statistics which show how more than 800,000 personal injury automobile accidents occurred last year, in which more than 36,000 persons were killed and about 900,000 were injured non-fatally. It advocates mass education of motorists and pedestrians in the safe manner of using street and highway facilities and cooperation among proper agencies in an impartial enforcement of all traffic laws.

## Colorado Supreme Court Reverses "Guest" Decision

DENVER, Feb. 12.—In reversing decision of the Denver district court holding that Sam Bagely was not entitled to a judgment against the Lumbermen's Mutual Casualty, the state supreme court has upheld the right of a motorist to aid a person, injured through his negligence, in collecting damages under liability insurance.

Bagely sued the company for \$5,000 after his daughter Sylvia obtained a \$10,000 judgment against him for injuries incurred in a collision while riding in a car driven by Bagely. The district court held the action fraudulent and charged collusion. The supreme court opinion stated in part: "Bagely believed he was negligent; that his daughter's injuries were caused by his negligence; that his daughter was entitled to compensation therefor."

### Baltimore Club Large

BALTIMORE, Feb. 12.—F. H. Strickland, vice-president New Amsterdam Casualty and treasurer of the Casualty & Surety Club, reported a membership of 215, a new high for the organization, at a meeting of directors here. Hugh D. Combs, president, is vice-president of the U. S. Fidelity & Guaranty. Arrangements are being made for an oyster roast and turkey dinner to be held by the club on March 5.

### Asks Quiz of Bond Handling

NEWARK, Feb. 12.—Assemblyman Bruno has introduced a resolution for an investigation of the New Jersey highway department by a committee of five. Bruno states he has heard reports of favoritism in the placing of highway construction bonds.

Assemblyman Eber has introduced a measure which would require all taxicabs to take out insurance before permitting them to be licensed.

## Surety Committee Will See Groups of London Lloyds

### HAVE SOME DISPUTED ISSUES

**Hope to Close Up the Agreement Relating to Bankers and Brokers Blanket Bonds**

NEW YORK, Feb. 12.—The surety company committee consisting of President C. R. Miller, Fidelity & Deposit, chairman; Vice-president, Hale Anderson, Fidelity & Casualty, Vice-president T. H. Marshall, United States Fidelity & Guaranty, and Counsel E. M. Biddle, Indemnity Insurance Company of America, left a week ago on the "Majestic" for London to confer with London Lloyds groups on the reinsurance agreement, which has been signed by 25 American companies.

#### Scope of the Agreement

They pledge themselves to cede to London Lloyds an amount of reinsurance premium equal to that reported to them on business written by London Lloyds in this country on bankers and brokers' blanket bonds. All these risks will be dropped at expiration by London Lloyds. The pact had been signed by the underwriters in London. Lloyds group notified their American correspondents that after Jan. 1 of last year they would not take any new brokers' blanket bonds. London Lloyds, so it is stated, have lived up religiously to the agreement. It was deemed advisable for this American committee to go abroad and deal directly with the groups and work out some details in a personal way. The committee intends to see all the groups operating in this country, writing this class.

#### Some Undetermined Issues

One of the undetermined questions is the jurisdiction in Illinois. London Lloyds, it is understood, decided to include Illinois in the agreement. However, it was ascertained that some of the groups were not able to change the contracts made with their correspondents at Chicago, some extending over a considerable term of years and hence continued operating as usual. It is expected that Chairman Miller and his committee will be able to straighten out the Illinois controversy.

Another question that has caused more or less controversy is the soliciting of fidelity bonds other than the bankers and brokers' blanket bond class. The agreement covers only bankers and brokers' blanket bonds but some of the American company officials are very outspoken in their feeling that all classes of fidelity business should come within the terms of the pact and should be so recognized at London. London Lloyds has increased its fidelity business on this side other than through the bankers and brokers' blanket bond class. It has gone after some of the big risks. One of the largest accounts is R. H. Macy & Co., the big department store of New York City. It is stated that London Lloyds cut the rate materially to get this risk and this incensed American competitors very much.

### Boston Auto Club Bill

BOSTON, Feb. 12.—A bill sponsored by the Boston Automobile Club which would substitute a financial responsibility law for the Massachusetts compulsory automobile liability insurance act was given hearing in the state legislature by the insurance committee and was supported by counsel and insurance representatives.

### New Claims Office in Newark

NEWARK, Feb. 21.—The Consolidated Claims Bureau is a new concern here with headquarters at 22 Thirteenth avenue. Capital is \$125,000. The incorporators include D. G. Bergen, T. C. Gallagher and A. B. Chernin.

## Revised Auto "P. L." Rates for New Jersey Announced

### ADVANCES IN SOME SECTIONS

**National Casualty Bureau Emphasizes Unless Trend Changes, Scale May Go Higher**

NEW YORK, Feb. 12.—Revised rates for public liability coverage on private passenger cars announced by the National Bureau of Casualty & Surety Underwriters for certain territories in New Jersey, became operative for all policies written on and after Feb. 10. Decreases ranging from \$2 to \$11, according to territory and size of car, were granted in Bayonne, Jersey City, part of the Newark zone, including Bloomfield, Cedar Grove, East Orange, Glen Ridge, Maplewood, Montclair, Nutley, Orange, South Orange, Verona and West Orange. Also in the Newark suburban, Dover, Morristown, Plainfield, Patterson and Patterson suburban territories, and in all of Hunterdon county.

#### Advance in Some Places

On the other hand, in Camden, where the adverse loss cost continued, an advance of \$9 per car applies. The Camden revisions, the National Bureau states, were based upon the experience of the five policy years ending with 1934, the latest available for rating purposes. On the basis of premiums earned and losses incurred, it developed the companies were paying over 100 percent.

Emphasizing that the public makes its own automobile rates, the National Bureau says, "Insurance executives are watching the constantly increasing toll of automobile accidents throughout the country with much apprehension. Both the frequency and the severity of these casualties continues to rise, and during 1935 an all-time high was reached in the number of motor vehicles fatalities, estimated at 36,400."

"Unless there is a decided improvement in all directions it must inevitably be assumed that future automobile liability rates will reflect the adverse conditions now evident in many sections."

### New Committees Named

Following are the new committee chairmen of the Casualty Actuarial Society: Admissions, T. F. Tarbell, Travelers; auditing, W. P. Comstock, London Guarantee; editorial, C. W. Hobbs, National Council; educational, C. A. Kulp, University of Pennsylvania; examinations, T. O. Carlson, National Bureau of Casualty & Surety Underwriters; fellowship, R. M. Marshall, National Council; associateship, David Silverman, of S. H. & Lee J. Wolfe; papers, L. S. Senior, New York Compensation Insurance Rating Board; program, W. W. Greene, General Reinsurance.

The spring meeting of the Casualty Actuarial Society will be held at Briarcliff Manor, N. Y., May 15. There will be informal discussion on the question of casualty rate regulation by the states. Any representative of a casualty company or organization is invited to attend.

### Kemper on Motor Accidents

President J. S. Kemper of the Lumbermen's Mutual Casualty, in commenting on automobile accidents declares that "the increasing number of automobile accidents in which improper speed or liquor is a contributing factor presents one of our most pressing problems. During the year much has been done to arouse public opinion to the catastrophic toll of human suffering due to automobile accidents. In this awakening and with stricter law enforcement lies the greatest hope of solving this problem."



## Georgia Test Is Started in Court

Local Agent Wrote Policy for Outside Broker and Remitted the Entire Commission

### COMPANY CHOSEN BY LOT

Part of Law Denying License to Salaried Agent Has Been Held Unconstitutional

ATLANTA, Feb. 12.—Commissioner Harrison of Georgia has cited the Aetna Casualty to appear Feb. 25 on a charge that E. C. Sloan, local agent, issued a surety policy in this state and remitted the entire commission to a nonresident agent, not duly licensed in this state as a nonresident agent, in violation of the Georgia insurance laws.

The action is brought as a test case to determine the constitutionality of this phase of the new insurance laws. The test case is being sponsored by the Association of Casualty & Surety Executives, a national organization. The Aetna and Mr. Sloan were chosen by lot as the representatives to violate this portion of the laws, as a test.

Another phase of the insurance laws of 1935, that which denied to a salaried agent the right to obtain a license, has been held unconstitutional by Judge John D. Humphries of the Fulton county superior court, in the case of the Hartford Steam Boiler vs. William B. Harrison, commissioner.

## Find Foreign Air Lines Are More Risky Than American

NEW YORK, Feb. 12.—The Aero Insurance Underwriters announces that its popular employers' aviation indemnity policy, which is issued for \$1 per thousand per year on persons using American Airlines, can be extended to cover only certain of the foreign airlines, and then only at a premium of \$1.50 instead of \$1. Despite the impression of many Americans, statistics indicate that flying on commercial airlines in this country is definitely safer than in Europe.

### Notes Popular Fallacy

"Many Americans are frank to admit that their first flight in an airplane was made in Europe, as over there traveling by air is taken as a matter of course and is 'so safe,'" the Aero Underwriters announcement states. "For years now, this attitude toward safety in aviation in Europe as compared to the United States has persisted.

"That this is a complete fallacy is shown by the latest statistics, which demonstrate that during the past three years there have been more than twice as many passengers killed on foreign airlines as on American, and this in spite of the fact that American air lines flew a greater passenger mileage than all the foreign lines combined."

### A. H. Edwards Assistant Head

A. H. Edwards has been appointed assistant manager of the American Surety in Newark. F. R. Cameron, who has been superintendent of the casualty division in Newark, has been transferred to the head office.

Ernest Howard, California special agent accident and health department of the Loyalty group, was recently married to Miss Ruth Elizabeth MacAleese of New York.

## Aetna Affiliated Group in Advancement of Five Men

### CHANGES IN STAFF MADE

Lewis, Rose, Johnson, Blalock and Knapp Win Promotions After Long Experience

NEW YORK, Feb. 12.—The Aetna Life and affiliated group made several staff changes. J. E. Lewis was elected assistant vice-president of the New York office, casualty, surety, fire and marine lines. Hubert Blalock becomes assistant secretary, surety claim division Aetna Casualty; and John B. Johnson, assistant secretary automobile department of the same company. Assistant Secretary A. O. Rose of the Aetna Casualty was advanced to secretary surety claim division, and E. C. Knapp from field supervisor to assistant secretary, agency department.

### Lewis' New Duties

Assistant Vice-president Lewis will be chief executive assistant to Vice-president J. S. Turn in administration of the Aetna's business in New York City in casualty, surety, fire and marine lines. Mr. Lewis for four years has been manager of the Washington, D. C., office of the companies. Before that he spent four years as superintendent fidelity and surety department. He joined the Aetna organization in 1919 after leaving the army and for several years was in agency and underwriting duties in various Aetna offices in the mid-west.

A. O. Rose has been assistant secretary surety claim division since 1928. For a number of years after graduation from Rensselaer Polytechnic Institute he was a consulting engineer in Pittsburgh and in 1923 joined the Aetna as field engineer. In 1924 he went to the home office as adjuster fidelity and surety claim division.

### Experience of Others

E. C. Knapp has been field supervisor casualty agency department since 1926. He has been with the agency department for 16 years.

J. B. Johnson has been with the company since 1916. He was first employed as claim adjuster and later transferred to the automobile underwriting department. Mr. Blalock joined the Aetna in 1928. He received his law degree from the University of Maryland in 1927, previously having worked for a Baltimore law office, after being graduated from the University of North Carolina and taking post graduate work at Johns Hopkins University.

## Accident & Casualty Is Licensed in New York

NEW YORK, Feb. 12.—The New York department has formally licensed the Accident & Casualty of Switzerland, of which company Neal Bassett was recently appointed United States manager, to write all casualty and surety lines, save credit and livestock insurance. Departmental examination prior to licensing the company revealed it possessed of total assets here of \$3,065,910; composed of \$1,390,291 in U. S. Government bonds; \$484,475 in other bonds; \$137,543 stock; \$1,037,080 cash in banks, and \$16,510 accrued interest. Ample funds have been deposited with the state and with a New York City trust company as trustee. The surplus including a contingency reserve of \$565,940, amounts to \$2,215,940. Spacious offices for the United States quarters of the company are being arranged at 111 John St., and should be ready for occupancy March 1. It is Manager Bassett's intention eventually to operate the Accident & Casualty in practically all states.

E. W. Freel, Pleasantville, Ia., local agent, died.

## Candidate for Delegate to Republican Convention



JAMES S. KEMPER

James S. Kemper, president of the Lumbermen's Mutual Casualty of Chicago, and head of many mutual companies and organizations, is brought forward as a candidate for delegate to the Republican national convention from the tenth Illinois congressional district. Former Congressman James Simpson is the other candidate running with Mr. Kemper. Mr. Kemper's candidacy is being promoted largely by the Young Men's Republican Clubs of the Chicago north shore, the tenth congressional district, starting from Irving Park boulevard in Chicago and running up northward.

### Backed by Ward Organizations

Mr. Kemper resides in Winnetka, Ill. He has the backing of all the ward organizations in the Chicago district and the north shore committeemen. He acted as chairman of the Illinois finance committee in the 1928 Republican campaign. The committee back of his candidacy consists of the foremost professional and business men and women in the district. Mr. Kemper served as one of the insurance directors of the United States Chamber of Commerce for a number of years and is now chairman of the executive committee of the insurance division of the Illinois chamber of commerce.

### Mr. Kemper's Career

Mr. Kemper is a native of Van Wert, O., having been born there Nov. 18, 1886. He is a graduate of the University of Dayton, O. He started his career in the office of the Central Manufacturers Mutual Fire of Van Wert in 1905 and went to Chicago in 1911, where he was appointed manager of the western department. He is a past president of the National Association of Mutual Insurance Companies, National Association of Automotive Mutual Insurance Companies, the Federation of Mutual Fire Insurance Companies and vice-president of the National Association of Mutual Casualty Companies. He is one of the most prominent insurance men in the country.

### Kemper Widely Endorsed

H. Fred Wuehrmann, president Uptown State Bank, opened the post prandial program, following the luncheon tendered Mr. Kemper at the Union League Club Monday by many interested in his candidacy. James D. Cunningham, president Republic Flow Meters Company, presided. Mrs. Bertha Baur, Illinois Republican national committeeman, spoke and heartily endorsed Mr. Kemper. Others who spoke briefly were George P. Rinn, president Philip Rinn Company; William Feigenbutz, committeeman 45th ward; Alder-

(CONTINUED ON PAGE 40)

## Illinois "O. D." Code Filed in Assembly

Declared to Set Up Workable, Reasonable and Insurable Solution of Problem

### JOINT COMMITTEE'S WORK

Bills Drafted After Many Months' Study Believed to Make Risk Acceptable to Carriers

Occupational disease liability would be set up definitely by statute in place of common law liability, but only for strictly occupational diseases and not ordinary diseases of life, in five bills introduced in the Illinois legislature as the work of a special committee of various interests—labor, industry and insurance companies. The measures, it is believed, would establish a safe basis for casualty companies to write the risk.

Recognizing that the burden must lie on industry to care for workers contracting recognized occupational diseases, the committee sought a solution which would work the least hardship on any interests, including casualty companies, which have shied away from this constantly increasing hazard with an incalculable liability under the present statutory situation.

### Five Bills Interrelated

Two bills are new proposals, a workmen's occupational diseases act and a health and safety act. A third bill would amend the workmen's compensation act, a fourth would amend the civil administrative code, and a fifth is a rewritten grinding, buffing and polishing equipment sanitation act. The five are companion bills, going to make the "O. D." code.

Occupational disease liability is set up by the main new act separate from the workmen's compensation act, thus avoiding the confusion of interpretation which ended in decision by the Illinois supreme court that the occupational disease statute and health, comfort and safety act were unconstitutional.

### No Conflict with "W. C." Law

The proposed occupational disease statute would not conflict with the compensation law. Casualty companies could write one or the other or both of these hazards without fear that by writing one they might be assuming liability for the other, as has been the Illinois situation in the past.

The new health and safety act embodies an innovation which may be of great significance to casualty companies and serve to reduce the risk of occupational diseases. It proposes that instead of leaving the setting of health and safety rules for industry to legislative enactment, rules may be promulgated by a committee of the Illinois industrial commission, subject to public hearings.

The Illinois Manufacturers Association, one of the interests which prepared the bills, has digested these measures in pamphlets giving the full text. J. L. Donnelly, executive vice-president, states, "The act affords a reasonable, conservative, permanent and insurable solution to the occupational disease problem. It provides for a workable plan basically sound and essentially fair both to employees and employers.

All existing law relating to employers' liability for "O. D." would be repealed and two alternatives set up: (1) Liability for damage limited to those cases of disease proximately caused by the employers' own negligence, or; (2)

(CONTINUED ON PAGE 40)

## ACCIDENT AND HEALTH FIELD

### Gets Out Two New Contracts

#### Hartford Accident & Indemnity Gives Salient Features of the Policies Just Being Issued

The Hartford Accident & Indemnity is selling its "Twentieth Century Accident Policy," with monthly indemnity for continuous disability for 12 consecutive months, and after that so long as injuries prevent engaging in any occupation or employment for profit. The rates for men are class A, \$10 for \$100 monthly indemnity; B, \$13; C, \$16, and D, \$30. A medical rider may be attached, it providing for reimbursement for hospital charges and nurses' fees when injuries require such service with 26 weeks from date of accident. When the rider is attached, there is an additional charge of \$11 for class A, \$18 for class D, and for women additional in class A, the rate is \$11.05 up to \$21.60 in class D.

The company has brought out a new policy, "BG," which is death, dismemberment and medical reimbursement. It

has \$1,000 principal sum and \$5,000 capital sum payment for loss of both hands, both feet, hand and foot, both eyes or sight of one eye and loss of a hand or foot. For loss of either hand or foot, one-half the capital sum is paid and for loss of sight of one eye, one-third. One-fourth the capital sum is paid for loss of thumb and index finger. Double indemnity is paid for injuries sustained in the usual way.

Special indemnities are paid for 23 listed losses, if no principal or capital sum loss is sustained, with medical reimbursement up to \$500.

### Hospitalization Service Is Begun by Kansas City Men

A medical and hospitalization service, providing surgical and hospital care for \$2 monthly, is now offered by the National Health Foundation, recently organized at Kansas City with offices at 1907 Grand avenue.

As set forth in a recent advertisement in a Kansas City newspaper, the

organization provides the following benefits: Skilled medical and hospital care in case of illness or injury; 24 hour attention from an outstanding staff of physicians, technicians and nurses; periodical health checkups; 25 percent discount on all dental bills, and hospital accommodations consisting of bed, meals, laboratory service, anesthetics, operating room charges, surgical service, x-rays and routine nursing. Monthly fees are quoted as \$2 for the individual; \$2.75 for both husband and wife, and 25 cents monthly additional for each child. Dr. Eugene Carbaugh is listed as medical director and the sponsor of the foundation is given as T. H. Mastin & Co.

### New York Club Is to Hear Metcalf on Policy Claims

NEW YORK, Feb. 12.—The fourth in the series of lectures sponsored by the Accident & Health Club of New York will be given Feb. 17 by R. K. Metcalf, manager claims department, Connecticut General Life, who will talk on "Standard Provisions and Claim Settlements." He will be introduced by T. J. Graham, vice-president Globe Indemnity. This will be the last lecture but

one before opening of National Accident and Health Week, April 20-25.

The club will hold a three-day sales congress the afternoons of the first three days of the week. A large banner will be hung across William street. There will be advertising over the radio and in the daily and insurance press, as well as posters in windows throughout the city, including some clever animated displays. The week will culminate in a banquet for producers who qualify on the basis of business written.

### Would Sell Home Service

ALBANY, Feb. 12.—An amendment to the New York law providing for the formation of non-profit service identifying corporations to provide medical and surgical care and treatment, has been introduced in the New York legislature. It would provide for the formation of corporations to sell medical care and nursing service to be given in the domiciles of the policyholders.

### OTHER A. & H. LEGISLATION

Two bills have been introduced in the Massachusetts legislature providing for exemption of claims for total and permanent disability and death benefits on accident policies from claims of creditor. Virginia is considering a similar bill. A New York bill prohibits the cancellation of accident and health policies after they have been in force five years, except for "good and sufficient reasons." A Rhode Island measure provides for the establishment and administration for a system of health insurance, while another bill would create a special commission to study health insurance legislation and the desirability of establishing a state fund. The Vermont legislature passed a bill changing the requirement that certain portions of accident and health policies be set in 10 and 14 point type to "plainly" printed.

### Federal Life & Casualty Policy

The Federal Life & Casualty of Detroit is selling its auto air travel accident policy with premium of \$10. This provides \$1,000 principal sum and \$100 monthly indemnity for automobile and airplane accidents. It provides for the payment for total disability for not exceeding six months and one-half partial disability for not exceeding six months. Regular weekly care by a physician is required. A \$50 hospital benefit is included and surgeon's fee for non-disabling injury. There is a 10 percent annual increase in the principal sum when contract is renewed annually with increase limited to five years. The contract does not cover injuries incurred in consequence of performing duties of machinists or airplane accidents while sight seeing or special chartered flights.

### C. N. Dubach Honored

The general agents of the Hartford Accident & Indemnity in Racine and Kenosha counties, Wis., are arranging a Dubach week to develop personal accident business, starting Feb. 24. The drive is a compliment to Charles N. Dubach, superintendent of the personal accident division in the western department. He has rendered real service to the agents.

### Heads A. & H. Club Committee

The Accident & Health Club of San Francisco has appointed George Johnson of the United States Fidelity & Guaranty as chairman of the nominating committee which will report at the next meeting March 4.

### Refuse Agents Licenses

The Ohio insurance division has announced that the licenses of A. O. Wilson for the Central Assurance of Columbus and the National Accident & Health of Philadelphia have been revoked and that applications for a license from the Superior Health & Accident for Alvin O. Wilson have been refused.

## GLOBE INDEMNITY COMPANY

1911

25th Anniversary

1936

A. Duncan Reid, President

150 WILLIAM STREET, NEW YORK, N. Y.

Financial Statement, December 31, 1935

### ASSETS

Cash in Office and Banks.....	\$ 1,137,334.24	
United States Government Bonds.....	13,782,155.93	
State, Municipal, Railroad and Other Bonds and Stocks.....	13,332,293.21	
Real Estate.....	1,538,934.66	
Premiums in Course of Collection not more than three months due.....	2,596,296.74	
Interest Due and Accrued.....	219,449.97	
Sundry Balances Due.....	574,462.42	
		<b>\$33,180,927.17</b>

Securities carried at \$833,022.40 in the above statement are deposited as required by law.

### LIABILITIES

Reserve for Claims.....	\$13,823,912.86	
Reserve for Unearned Premiums.....	6,089,235.74	
Reserve for Commissions on Uncollected Premiums.....	535,995.13	
Reserve for Taxes and Sundry Accounts.....	635,000.00	\$21,084,143.73
Reserve for Losses Incurred but not Reported.....		2,200,000.00
Voluntary Reserve for Contingencies Including Fluctuation in Market Value of Securities.....		2,396,783.44
<b>CAPITAL</b> .....	<b>2,500,000.00</b>	
<b>SURPLUS</b> .....	<b>5,000,000.00</b>	<b>7,500,000.00</b>
		<b>\$33,180,927.17</b>

### SURPLUS TO POLICYHOLDERS \$7,500,000.00

On the basis of December 31, 1935, market quotations for all bonds and stocks owned, this Company's total admitted assets would be increased to \$33,513,147.03 and the voluntary reserve for contingencies, including fluctuation in market value of securities to \$2,729,003.30.

Fidelity and Surety Bonds

Casualty Insurance of All Classes



## AMERICAN AUTO AGENTS—

**H**ave had another good year and looking ahead with *American Auto* makes the future even brighter.



**Admitted Assets**  
more than  
**\$14,000,000**

**Surplus to Policyholders**  
more than  
**\$5,000,000**

### NATIONWIDE BRANCH OFFICE FACILITIES

**BOSTON**  
40 Broad St.  
Wilfred J. Paquet  
Manager

**CHICAGO**  
A-2025 Insurance Exchange South  
E. D. Loring  
Resident Vice-President

**CLEVELAND**  
Hanna Building  
George W. Talkes  
Resident Vice-President

**DETROIT**  
National Bank Bldg.  
Robert Z. Alexander  
Resident Vice-President

**INDIANAPOLIS**  
210 Electric Bldg.  
M. W. Doyle  
Manager

**LOS ANGELES**  
724 South Spring Street  
Don R. Sessions  
Resident Vice-President

**MILWAUKEE**  
212 West Wisconsin Avenue  
C. M. Latta  
Manager

**SEATTLE**  
518 Skinner Building  
J. R. Lawson  
Manager

**NEW ORLEANS**  
1227 Hibernia Bank Bldg.  
J. I. Grevemberg  
Manager

**NEW YORK**  
99 John Street  
R. S. Choate  
Resident Vice-President

**PHILADELPHIA**  
Manhattan Building  
James R. Hughes  
Resident Vice-President

**CINCINNATI**  
Carew Tower  
Cameron H. Sanders  
Manager

**PITTSBURGH**  
Investment Bldg.  
Jel Parker  
Manager

**ST. LOUIS**  
Pierce Building  
Louis H. Antoine  
Manager

**SAN FRANCISCO**  
Suite 301 Adam Grant Bldg.  
George E. Adams  
Resident Vice-President

**COLUMBUS**  
Beggs Bldg.  
R. I. Taylor  
Associate Manager

### OHIO DEPARTMENT

## AMERICAN AUTOMOBILE INSURANCE COMPANIES

L. A. HARRIS, *President*

ST. LOUIS, MISSOURI

*"Oldest and Largest Insurers of Automobiles Exclusively"*

1890  1936

# FIDELITY AND DEPOSIT COMPANY

## OF MARYLAND

### BALTIMORE

### FORTY-SIXTH ANNUAL STATEMENT

December 31, 1935

ASSETS	
*Bonds and stocks - - -	\$13,938,628.97
Home Office building - - -	2,357,300.00
Cash in banks and offices - - -	1,713,501.99
Mortgage loans - - -	100,000.00
Collateral loan - - -	182,500.00
Premiums in course of collection (Under 90 days old) - - -	2,074,839.01
Accounts receivable - - -	164,712.10
<b>Total admitted assets - - -</b>	<b>\$20,531,482.07</b>
LIABILITIES	
Reserve for unearned premiums - - -	\$5,997,341.39
Reserve for losses - - -	6,768,866.82
Reserve for taxes and expenses - - -	916,853.49
Reserves, miscellaneous - - -	467,887.35
Reserve for return and advanced premiums - - -	100,025.35
Reinsurance payable to other companies - - -	446,625.32
<b>Total reserves - - -</b>	<b>\$14,697,599.72</b>
Capital - - -	\$2,400,000.00
Surplus - - -	3,433,882.35
<b>Surplus to policyholders - - -</b>	<b>5,833,882.35</b>
	<b>\$20,531,482.07</b>

\*Valuations on basis approved by National Convention of Insurance Commissioners. On the basis of December 31, 1935 market quotations for all bonds and stocks owned, the Company's total admitted assets would be increased to \$20,883,988.72 and the net surplus to \$3,786,389.00. Securities carried at \$999,534.80 in the above statement are deposited as required by law.

*Exclusively*

## FIDELITY AND SURETY BONDS BURGLARY, FORGERY AND PLATE GLASS INSURANCE

## Casualty Field Changes

### Opens Branch in Pittsburgh

**Ed Sweet Is Named Manager of New Office of the Massachusetts Bonding**

PITTSBURGH, Feb. 12.—The Massachusetts Bonding has opened a branch office here to take the place of the Johnston & Harder general agency. Ed. Sweet, formerly assistant manager of the company in Des Moines, is the manager. He was at one time manager of the Maryland Casualty in Cleveland.

Fred Schaefer, formerly of Johnston & Harder, is the assistant manager. Cyril Ivory, also formerly of Johnston & Harder, is claims manager. The office is in the Arrott building. Vice-President Spencer Welton was in Pittsburgh completing arrangements.

### Stanley Martin's New Post

Stanley G. Martin, assistant secretary of the United States Casualty, has been put in charge of its New York City metropolitan activities. He has been with the company seven years and has given most of his time to the development of larger risks. He is an authority on liability and compensation insurance. He was with the Ocean Accident, Royal Indemnity, Hartford Accident and Independence Indemnity, serving for over 30 years.

### Hall in Southeast Ohio

William A. Hall has taken up his new work as special agent of the Buckeye Union Casualty for southeastern Ohio. He has had 14 years of field work with casualty companies, nine years of which have been spent in Ohio. He is a graduate of the University of Michigan.

### Candidate for Delegate to Republican Convention

(CONTINUED FROM PAGE 37)

man John A. Massen, committeeman 48th ward; Harry A. Riley, committeeman 49th ward; Louis Nettelhorst, committeeman 50th ward; Henry Fowler, committeeman New Trier township; B. H. Miller, chairman Lake county; Thomas J. Houston, 10th district state central committeeman. John J. Hoellen, committeeman 47th ward, and W. N. Ericson, committeeman, Evanston, could not be present but their organizations have endorsed Mr. Kemper.

On Mr. Kemper's committee are distinguished citizens, among them Graham Aldis, Clifford W. Barnes, Col. George T. Buckingham, Manager W. M. Dewey, Edgewater Beach hotel, James B. Forgan, Jr., Ralph R. Hawxhurst, H. C. Hintzpetter, manager Mutual Life of New York; Samuel M. Hastings, George B. Dryden, Henry R. Platt, Jr., and others.

Mr. Kemper urged a return to business principles in government, dwelling particularly on the enormous expenditures, rapidly mounting taxation and danger of undue inflation.

Mr. Kemper pictured the debacle that would result if France devaluated, as it now threatens to do. For the first time in months, gold left the United States last month, he declared.

If France devaluates, interest rates will rise to the detriment of the small debtor, he declared. Many businesses, fearing higher interest rates, are refinancing their obligations.

Inflation would work tremendous hardship on life insurance policy holders and small investors, he warned.

"I am glad to run as delegate to the National Republican convention because I'm not so sure that 1940 won't be too late."

## Illinois "O. D." Code Filed in Assembly

(CONTINUED FROM PAGE 37)

if the employer chooses, but not otherwise, liability for compensation payments and medical benefits in all cases of true occupational diseases actually attributable to the employment. Farming and farm work are excluded. Compensation would be payable for disability or death due to true occupational disease, being the same as under workmen's compensation, with reasonable provision for medical treatment.

Section 6 definitely prevents employers from becoming liable for all diseases and restricts liability to true occupational diseases, although such diseases are not defined in the bill.

### Rules Regarding Liability

Provision is made for lump sum settlements, medical examination, determination of claims by the industrial commission and appeals to the courts as under workmen's compensation. A rule set up is that the employer liable for "O. D." compensation is the last one for whom the employee worked and was exposed to hazards of the disease, except that in silicosis and asbestosis cases an employment of not more than 60 days is not deemed an exposure under the act. The insurance company on the risk is the one whose policy was in effect on the last day of such exposure.

Miscellaneous provisions of the compensation act which have proved satisfactory have been incorporated. Effective date would be Oct. 1, 1936. Death compensation for "O. D." is set up similar to the compensation act. Actions must be started within three years after the last day of exposure to the disease, for injury to health; within one year after death due to such disease and within five years after the last day of exposure.

### Limitations Provision

Disability must have started within one year from the last day of exposure, except in the case of silica or asbestos dust, for which the limitation is three years. Recovery at common law is barred by specific provision for disability and death payments.

Compensation for silicosis (silicosis-tuberculosis), asbestosis (asbestos-tuberculosis) shall include proper care limited, as reasonably required to cure or relieve from the effects, to not over six months.

For complete disability compensation is to be 50 percent of earnings, but between \$7.50 and \$15 a week, until the total equals what would be paid as death benefit. The weekly minimum is increased where there are children in the family.

The grinding, buffing and polishing equipment sanitation act permits substantial reduction in power requirements with no impairment of effectiveness of exhaust systems, and is drafted so factories and work shops can comply whereas many cannot now meet the legal requirements.

### Committee That Drafted Bills

P. J. Angsten, chairman industrial commission, was chairman of the committee which drafted the bills. V. A. Olander, secretary-treasurer Illinois Federation of Labor, represented organized labor and O. E. Mount, chairman occupational diseases committee Illinois Manufacturers Association, represented that body. George H. Moloney, vice-president Hartford Accident in Chicago, represented insurance interests.

An important provision includes on a limited basis liability of employers for

(CONTINUED ON PAGE 45)

### To Hear Disease Expert

The speaker at the Feb. 19 meeting of the Casualty Adjusters Association of Chicago will be Frank Peregrine, who was a member of the committee that drafted the occupational disease bill, which has just been introduced in the Illinois legislature.





*Casualty  
Fidelity  
Surety*

*Re - Insurance*

**THE OLDEST  
CASUALTY and SURETY  
REINSURANCE COMPANY  
IN THE  
UNITED STATES**

**The EUROPEAN GENERAL  
REINSURANCE COMPANY, LTD.**

**OF LONDON, ENGLAND  
99 JOHN ST., NEW YORK**

**THEODORE L. HAFF  
U. S. Manager**

**CLARENCE T. GRAY  
Assistant U. S. Manager**

## NEWS OF THE COMPANIES

### Globe Indemnity Statement

**Annual Figures Reflect the Conservative Yet Progressive Management of the Company**

The 25th annual statement of the Globe Indemnity shows assets of \$33,180,927, increase \$512,857. The capital is \$2,500,000, and following its practice the surplus remains at the fixed sum of \$5,000,000, with a reserve for contingencies or unallocated surplus of \$2,396,783 as contrasted with \$1,215,214 for 1934. The reserve for unreported losses continues at \$2,200,000 and in this connection it is interesting to note that the aggregate reserve for losses equals 110 percent of the premiums for the year.

The investments in federal government bonds, and cash, amount to \$14,919,490, or 45 percent of the total assets. An underwriting profit for the year is reported, of \$509,000. The statement as a whole presents a very strong financial position.

### Ohio Mutuals Affiliate

The Shelby Mutual Plate Glass & Casualty of Shelby, O., and the Ohio Hardware Mutual Casualty of Coshoc-ton, have made arrangements to affiliate through the exchange of two directors. However, each company will retain its identity.

### Illinois Casualty's Year

The Illinois Casualty of Springfield, Ill., shows assets \$503,417 of which \$15,180 is cash, \$101,623 government bonds, \$281,196 total bond holdings, \$96,481 real estate, including home office building which nets 2.8 percent, premium reserve \$130,770, capital \$200,-

000, net surplus \$65,160. An increase of over 30 percent in net surplus is shown. Its new business last year showed an increase of 10 percent. It has assets of \$250,000 and are instantly salable on the stock exchange. Its margin of safety, that is assets and liabilities, is more than two to one.

### Autoist Mutual Statement

The Autoist Mutual of Chicago in its annual statement, reports assets of \$543,678, of which \$375,558 is in bonds and \$57,384 in cash. The claim reserve amounts to \$132,974, premium reserve \$115,322 and net surplus \$208,417.

Secretary E. E. Hielscher observed that the ratio of surplus to liabilities is now 62.16 percent as compared with 50.19 percent in 1934. The ratio of surplus to assets is 38.33 percent as compared with 33.42 percent the previous year.

### Stock Selling Scheme Hit

BOSTON, Feb. 12.—Action has been taken against the proposed North Atlantic Insurance & Bonding of Boston by Commissioner DeCelles, who states the organizers are using the stock for stock selling purposes. The Securities Exchange Commission has been investigating and the attorney-general ordered to proceed against the charter of the company.

### Buckeye Union Casualty's Year

The Buckeye Union Casualty of Columbus, O., shows assets \$1,375,434 of which \$210,024 is cash, \$826,948 bonds, \$96,410 stocks. Its loss reserve is \$382,187, premium reserve \$514,839, market fluctuation reserve \$40,000, capital \$100,000, net surplus \$267,608. Its premiums were \$1,261,700, gain 57.4 percent. The

assets a year ago were \$1,082,245, loss ratio was 42.7 percent. It has 656 agents, 96 new ones being appointed during the year and 80 old ones discontinued. Its surplus increased \$17,498. The investment income was \$51,065.

### Inter-Ocean Increases

The Inter-Ocean Casualty reports \$1,153,096 in net premiums in 1935, an increase of \$75,704. Net admitted assets are \$473,050, net surplus \$99,512, an increase of \$11,704. Surplus to policyholders is \$199,512. Cash and bonds immediately convertible into cash total \$316,331, while the entire liability to policyholders is \$229,542.

### Missouri Auto Exchange Reports

The Inter-Insurance Exchange for the Automobile Club of Missouri at the close of 1935 had assets \$570,570, the highest figure since the organization of the exchange nine years ago. The surplus was \$243,789. Total business was 13 percent greater than for 1934.

**Amer. Fire & Cas.**—Assets, \$256,502; inc. in assets, \$16,774; unearned prem., \$112,591; loss res., \$17,595; capital, \$72,859; surplus, \$29,472; inc. in surplus, \$18,275. Experience on principal lines:

	Net Premiums	Paid Losses
Fire .....	\$ 14,225	\$ 2,178
Windstorm .....	1,259	1,276
Motor vehicles.....	199,461	77,098
Workmen's com.....	8,876	1,007
Total .....	\$ 224,154	\$ 81,560

**Mut. Ben. Health & Acc.**—Assets, \$3,824,633; inc. in assets, \$868,069; unearned prem., \$715,835; loss res., \$1,544,373; non-can A. & H. res., \$209,370; surplus, \$400,000; inc. in surplus, \$64,707. Experience on principal lines:

	Net Premiums	Paid Losses
Accident & health.....	\$7,420,041	\$3,913,583

**Amer. Gen.**—Assets, \$1,310,186; inc. in assets, \$271,511; unearned prem., \$307,025; loss res., \$25,412; liab. res., \$51,279; comp. res., \$26,109; capital, \$400,000; sur-

plus, \$425,112; inc. in surplus, \$141,583. Experience on principal lines:

	Net Premiums	Paid Losses
Fire .....	\$ 132,944	\$ 28,373
Tornado .....	26,283	11,333
Motor vehicle .....	68,404	11,519
Auto liability .....	99,504	54,036
Other liability .....	13,812	10,440
Workmen's comp.....	58,334	19,945
Fidelity .....	4,648	—1,076
Surety .....	49,684	2,576
Plate glass .....	15,689	4,537
Burglary and theft..	1,108	23
All other .....	1,164	31
Auto prop. damage.	35,386	10,413
Auto collision .....	42,627	23,622
Total .....	\$ 549,723	\$ 175,776

**Celina Mut. Cas.**—Assets, \$573,845; inc. in assets, \$131,921; unearned prem., \$179,521; loss res., \$18,022; liab. res., \$96,908; surplus, \$245,290; inc. in surplus, \$12,653. Experience on principal lines:

	Net Premiums	Paid Losses
Auto liability .....	\$ 233,098	\$ 90,895
Auto fire .....	15,941	2,137
Auto theft .....	12,702	4,082
Auto tornado .....	2,986	234
Auto prop. damage.	105,620	18,193
Auto collision .....	22,938	12,001
Total .....	\$ 393,967	\$ 128,364

**Wash. Natl.**—Assets, \$4,090,620; inc. in assets, \$632,077; unearned prem., \$455,611; loss res., \$425,268; capital, \$600,000; surplus, \$725,000; inc. in surplus, \$25,000. Experience on principal lines:

	Net Premiums	Paid Losses
Accident & health.....	\$4,445,334	\$1,945,416

**Inland Cas.**—Assets, \$366,389; dec. in assets, \$2,473; unearned prem., \$4,705; loss res., \$80; capital, \$200,000; surplus, \$159,962; dec. in surplus, \$4,999. Experience on principal lines:

	Net Premiums	Paid Losses
All automobile .....	\$ 10,566	\$ 1,521

**Employers Reinsurance**—Assets, \$11,659,734; inc. in assets, \$1,763,013; unearned prem., \$2,860,392; loss res., \$499,511; liab. res., \$2,548,644; comp. res., \$892,385; non-can A. & H. res., \$20,925; capital, \$1,500,000; surplus, \$1,500,000; inc.

Reliability goes hand-in-hand with speed in the American Glass organization. Of course, you're always assured of speedy plate glass replacements here.

Speed alone, however, does not make for complete satisfaction. But combine it with the reliability and dependability which backs every American plate glass replacement job and it's a combination hard-to-beat.

It has made the American Glass the outstanding leader in the Chicago plate glass replacement field. You'll also like it!

**RELIABILITY and SPEED**



**MOHAWK-1100**

**AMERICAN GLASS CO.**  
1030-42 N. BRANCH ST. CHICAGO.



Have You the  
Full Details

?

About AMERICAN STATES  
NEW STANDARD  
COMPREHENSIVE  
POLICY

That combines ALL REGULAR and  
ALL SPECIAL COVERAGES such as  
Rental Reimbursement, Driving Other Cars, Trailer Protection, Etc.

Plus COMPREHENSIVE all Forms  
with or without Collision

NOW ALL IN ONE POLICY  
No More Riders or Special Endorsements Needed



One of our Field Managers will  
gladly give you full details about  
this most complete insurance  
policy.

AMERICAN  
STATES  
INSURANCE  
COMPANY  
Indianapolis

One of America's Outstanding NON-CONFERENCE Stock Companies Writing  
Automobile Insurance Exclusively . . . Rated A+ in Best's

in voluntary special reserve, \$591,458.  
Experience on principal lines:

	Net Premiums	Paid Losses
Accident .....	\$ 87,929	\$ 82,761
Health .....	24,146	18,955
Non-canc. H. & A. ....	45,770	57,682
Auto liability .....	3,652,589	1,245,780
Other liability .....	412,857	119,266
Workmen's comp. ....	385,620	233,477
Fidelity .....	163,000	52,930
Surety .....	273,850	—1,515
Plate glass .....	44,171	157
Burglary and theft. ....	210,119	71,027
Steam boiler .....	2,793	214
Engine and mach. ....	2,470	1,587
Auto prop. damage. ....	466,250	80,717
Auto collision .....	22,988	15,833
Other P. D. and coll. ....	84,233	6,312
Credit .....	149,937	44,619
<b>Total .....</b>	<b>\$6,028,722</b>	<b>\$2,029,802</b>

**Conn. Gen. Life**—Assets, \$188,912,856; inc. in assets, \$17,602,480; unearned prem., \$618,929; loss res., \$1,633,267; non-canc. A. & H. res., \$355,021; capital, \$3,000,000; surplus, \$5,028,893; inc. in surplus, \$682,781. Experience on principal lines:

	Net Premiums	Paid Losses
Accident .....	\$1,181,874	\$ 507,543
Health .....	478,677	254,729
Non-canc. H. & A. ....	157,179	139,443
<b>Total .....</b>	<b>\$1,817,730</b>	<b>\$ 901,715</b>

**Natl. Acc. & Health**—Assets, \$410,319; inc. in assets, \$30,300; unearned prem., \$25,828; loss res., \$59,074; capital, \$150,000; surplus, \$153,881; inc. in surplus, \$24,415. Experience on principal lines:

	Net Premiums	Paid Losses
Accident & health. ....	\$ 528,202	\$ 59,074

**Gen. Cas. of Amer.**—Assets, \$3,414,304; inc. in assets, \$494,084; unearned prem., \$1,159,100; loss res., \$101,885; liab. res., \$548,413; comp. res., \$27,548; capital, \$550,000; surplus, \$818,175; inc. in surplus, \$54,192. Experience on principal lines:

	Net Premiums	Paid Losses
Auto liability .....	\$1,196,571	\$ 571,429
Other liability .....	216,908	57,064
Workmen's comp. ....	23,442	23,517
Fidelity .....	41,201	5,566
Surety .....	98,141	1,565
Plate glass .....	34,985	12,724
Burglary and theft. ....	40,476	10,452
Steam boiler .....	6,458	.....
Auto prop. damage. ....	434,864	140,845
Other P. D. and coll. and auto embezzlement .....	33,107	10,717

**Hartford Live Stock**—Assets, \$1,236,307; inc. in assets, \$75,307; unearned prem., \$105,031; loss res., \$32,574; capital, \$500,000; surplus, \$474,882; inc. in surplus, \$76,938. Experience on principal lines:

	Net Premiums	Paid Losses
Live stock .....	\$ 375,070	\$ 248,465

**Iowa Mutual Cas.**—Assets, \$152,169; inc. in assets, \$38,419; unearned prem., \$60,315; loss res., \$5,127; liab. res., \$24,513; surplus, \$46,112; inc. in surplus, \$502. Experience on principal lines:

	Net Premiums	Paid Losses
Auto liability .....	\$ 69,978	\$ 12,736
Plate glass .....	8,360	6,980
Auto prop. damage. ....	26,451	10,178
Auto collision .....	14,446	7,351

**Natl. Auto**—Assets, \$1,952,911; inc. in assets, \$590,956; unearned prem., \$558,297; loss res., \$22,286; liab. res., \$48,060; comp. res., \$767,061; capital, \$300,000; surplus, \$138,550; inc. in surplus, \$10,097. Experience on principal lines:

	Net Premiums	Paid Losses
Auto liability .....	\$ 22,834	\$ 7,240
Other liability .....	52,385	8,505
Workmen's comp. ....	1,392,867	454,521
Fidelity .....	1,038	244
Surety .....	13,829	968
Burglary and theft. ....	1,327	35
Auto prop. damage. ....	6,769	2,363
Auto collision .....	16,238	6,827
Other P. D. and coll. ....	1,578	33
All other auto. ....	126,398	27,935
<b>Total .....</b>	<b>\$1,635,179</b>	<b>\$ 508,674</b>

**Natl. Protective**—Assets, \$321,038; inc. in assets, \$83,439; unearned prem., \$98,622; loss res., \$42,482; capital, \$25,000; surplus, \$109,499; inc. in surplus, \$59,491. Experience on principal lines:

	Net Premiums	Paid Losses
Accident & health. ....	\$ 648,278	\$ 219,045

**Mercer Casualty**—Assets, \$900,082; inc. in assets, \$105,454; unearned prem., \$208,371; loss res., \$28,437; liab. res., \$194,075; capital, \$250,000; surplus, \$181,961; inc. in surplus, \$26,900. Experience on principal lines:

	Net Premiums	Paid Losses
Accident .....	\$ 992	\$ 940
Auto liability .....	258,573	136,167
Other liability .....	1,663	325
Auto fire .....	28,036	4,403
Cargo .....	1,337	169
Plate glass .....	11,610	5,774
Auto theft .....	25,156	7,388
Auto tornado .....	4,562	1,074
Auto prop. damage. ....	107,151	26,531
Auto collision .....	38,014	24,746
<b>Total .....</b>	<b>\$ 477,119</b>	<b>\$ 207,519</b>

**Mass. Protective**—Assets, \$8,567,636; inc. in assets, \$463,314; unearned prem., \$1,257,294; loss res., \$2,406,476; non-canc. A. & H. res., \$1,559,945; capital, \$1,000,000; surplus, \$2,019,195; inc. in surplus, \$607,324. Experience on principal lines:

	Net Premiums	Paid Losses
Accident & health. ....	\$ 242,888	\$ 191,473
Non-canc. H. & A. ....	6,189,676	3,617,853
<b>Total .....</b>	<b>\$6,432,564</b>	<b>\$3,809,326</b>

**Minn. Commercial Men's**—Assets, \$287,340; inc. in assets, \$1,974; unearned prem., \$2,818; loss res., \$34,320; surplus, \$246,812; inc. in surplus, \$1,343. Experience on principal lines:

	Net Premiums	Paid Losses
Accident .....	\$ 111,611	\$ 85,639
Health .....	164,244	107,257
<b>Total .....</b>	<b>\$ 275,855</b>	<b>\$ 192,896</b>

**United States Guar.**—Assets, \$12,013,906; inc. in assets, \$2,191,378; unearned prem., \$2,350,795; loss res., \$669,717; liab. res., \$1,630,388; comp. res., \$70,540; capital, \$1,000,000; surplus, \$4,812,736; inc. in surplus, \$1,589,870. Experience on principal lines:

	Net Premiums	Paid Losses
Accident .....	\$ 588	\$ 312
Auto liability .....	1,653,550	670,490
Other liability .....	600,247	182,159
Workmen's comp. ....	119,471	39,000
Fidelity .....	667,282	196,120
Surety .....	701,547	21,008
Plate Glass .....	36,345	14,255
Burglary and theft. ....	381,884	109,201
Auto prop. damage. ....	439,199	137,920
Auto collision .....	7,869	3,754
Other P. D. and coll. ....	23,598	2,732
<b>Total .....</b>	<b>\$4,631,584</b>	<b>\$1,376,956</b>

**Ohio Casualty**—Assets, \$4,557,231; inc. in assets, \$613,049; unearned prem., \$1,838,305; loss res., \$235,980; liab. res., \$1,134,181; capital, \$600,000; surplus, \$601,031; inc. in surplus, \$147,677. Experience on principal lines:

	Net Premiums	Paid Losses
All automobile .....	\$3,437,159	\$1,395,621
Accident .....	13,547	8,356
Other liability .....	156,164	28,903
Fidelity .....	93,685	33,453
Surety .....	147,181	15,612
Plate glass .....	118,751	43,169
Burglary and theft. ....	88,216	16,537
Other P. D. and coll. ....	7,247	2,265
<b>Total .....</b>	<b>\$4,061,950</b>	<b>\$1,543,916</b>

**Pacific Auto**—Assets, \$833,360; inc. in assets, \$119,299; unearned prem., \$315,950; loss res., \$16,486; liab. res., \$95,869; capital, \$201,336; surplus, \$153,088; inc. in surplus, \$6,630. Experience on principal lines:

	Net Premiums	Paid Losses
Auto liability .....	\$ 362,521	\$ 171,940
Other liability .....	707	.....
Auto prop. damage. ....	131,349	41,583
Auto collision .....	70,962	41,136
Auto fire and theft. ....	42,664	13,820
<b>Total .....</b>	<b>\$ 608,205</b>	<b>\$ 268,482</b>

**Shelby Mut. Plate Glass**—Assets, \$1,194,681; inc. in assets, \$142,258; unearned prem., \$482,297; loss res., \$32,463; liab. res., \$131,165; surplus, \$426,205; inc. in surplus, \$25,429; res. for contingencies, \$35,000. Experience on principal lines:

	Net Premiums	Paid Losses
Auto liability .....	\$ 342,771	\$ 145,270
Other liability .....	29,086	10,167
Plate glass .....	424,443	196,764
Auto prop. damage. ....	136,108	42,766
Auto collision .....	3,643	1,892
<b>Total .....</b>	<b>\$ 936,051</b>	<b>\$ 396,859</b>

**New Amsterdam Cas.**—Assets, \$20,949,294; inc. in assets, \$50,110; unearned prem., \$5,616,235; loss res., \$2,299,735; liab. res., \$3,637,131; comp. res., \$2,837,173; capital, \$1,000,000; surplus, \$2,200,000; inc. in surplus, \$200,000; reserve for contingencies, \$2,092,043. Experience on principal lines:

	Net Premiums	Paid Losses
Accident .....	\$ 273,832	\$ 145,142
Health .....	41,797	31,408
Auto liability .....	3,879,040	3,020,262
Other liability .....	1,989,719	987,015
Workmen's comp. ....	2,851,458	1,696,358
Fidelity .....	1,387,888	453,368
Surety .....	1,070,167	489,050
Plate glass .....	326,236	114,469
Burglary and theft. ....	521,326	155,429
Auto prop. damage. ....	1,014,960	360,782
Auto collision .....	44,790	22,488
Other P. D. and coll. ....	50,770	7,128
<b>Total .....</b>	<b>\$13,451,953</b>	<b>\$7,482,899</b>

**Travelers**—Assets, \$787,910,991; inc. in assets, \$63,911,717; unearned prem., \$18,377,423; loss res., \$5,016,259; liab. res., \$13,203,922; comp. res., \$18,557,655; non-canc. A. & H. res., \$458,536; capital, \$20,000,000; surplus, \$20,067,784; inc. in surplus, \$3,062,823. Experience on principal lines:

	Net Premiums	Paid Losses
Accident .....	\$9,883,662	\$4,013,382
Health .....	3,607,634	2,119,997
Non-canc. H. & A. ....	86,114	222,626
Auto liability .....	16,798,845	8,005,629
Other liability .....	6,847,767	1,841,501
Workmen's comp. ....	17,034,007	7,959,405
<b>Total .....</b>	<b>\$54,258,031</b>	<b>\$24,162,520</b>

**Travelers Indemnity**—Assets, \$25,736,696; inc. in assets, \$3,440,936; unearned prem., \$6,539,836; loss res., \$973,460; liab. res., \$340,485; capital, \$3,000,000; surplus, \$6,285,826; inc. in surplus, \$418,717. Experience on principal lines:

	Net Premiums	Paid Losses
Auto liability .....	\$ 293,759	\$ 145,268
Other liability .....	332,688	81,149
Plate glass .....	714,386	213,164
Burglary and theft. ....	2,281,221	597,632
Steam boiler .....	1,004,052	95,529
Engine and mach. ....	237,804	12,098
Auto prop. damage. ....	4,562,505	1,390,917
Auto collision .....	645,546	386,456
Other P. D. and coll. ....	301,285	42,793
<b>Total .....</b>	<b>\$10,373,250</b>	<b>\$2,965,009</b>

**Employers, Ala.**—Assets, \$268,176; inc. in assets, \$38,191; unearned prem., \$61,260; liab. res., \$29,125; comp. res., \$27,428; capital, \$100,000; surplus, \$30,709. Experience on principal lines:

	Net Premiums	Paid Losses
Auto liability .....	\$ 47,052	\$ 18,102
Other liability .....	9,493	2,753
Workmen's comp. ....	110,363	40,837
Fire and theft. ....	8,092	448
Auto prop. damage. ....	12,894	4,816
Auto collision .....	1,739	1,166
Other P. D. and coll. ....	1,274	52
<b>Total .....</b>	<b>\$ 190,910</b>	<b>\$ 68,176</b>

**Americana Surety**—Assets, \$24,209,493; inc. in assets, \$2,108,455; unearned prem., \$5,680,131; loss res., \$4,965,234; liab. res., \$653,295; comp. res., \$252,916; capital, \$7,500,000; surplus, \$4,051,676; inc. in surplus, \$1,608,999. Experience on principal lines:

	Net Premiums	Paid Losses
Auto liability .....	\$ 829,296	\$ 437,395
Other liability .....	357,157	92,931
Workmen's comp. ....	331,377	144,339
Fidelity .....	4,166,573	937,827
Surety .....	2,340,568	392,241
Plate glass .....	107,041	36,453
Burglary and theft. ....	668,043	106,959
Auto prop. damage. ....	260,300	80,947
Auto collision .....	9,799	6,223
Other P. D. and coll. ....	12,467	259
<b>Total .....</b>	<b>\$9,082,626</b>	<b>\$2,235,579</b>

**Motor Vehicle Cas.**—Assets, \$754,008; inc. in assets, \$83,190; unearned prem., \$278,661; loss res., \$6,569; liab. res., \$95,180; capital, \$200,000; surplus, \$120,608; inc. in surplus, \$39,872. Experience on principal lines:

	Net Premiums	Paid Losses
Auto liability .....	\$ 306,982	\$ 150,126
Plate glass .....	864	1,981
Auto theft .....	53,468	10,840
Auto prop. damage. ....	113,698	27,389
Auto collision .....	49,106	26,302
Auto fire and wind. ....	24,283	3,055
<b>Total .....</b>	<b>\$ 548,401</b>	<b>\$ 219,693</b>

**Globe Indemnity**—Assets, \$33,180,927; inc. in assets, \$512,858; unearned prem., \$6,064,085; loss res., \$3,288,585; liab. res., \$5,768,476; comp. res., \$6,353,532; capital, \$2,500,000; surplus, \$5,000,000. Experience on principal lines:

	Net Premiums	Paid Losses
Accident .....	\$ 262,212	\$ 110,723
Health .....	52,020	23,515
Auto liability .....	4,490,255	2,713,494
Other liability .....	2,221,090	1,033,969
Workmen's comp. ....	3,142,096	2,074,003
Fidelity .....	918,551	319,799
Surety .....	491,232	348,744
Plate glass .....	256,430	83,147
Burglary and theft. ....	758,917	259,717
Steam boiler .....	134,716	16,139
Engine and mach. ....	39,739	7,211
Auto prop. damage. ....	1,191,075	405,028
Auto collision .....	163,613	77,898
Other P. D. and coll. ....	60,046	7,347
<b>Total .....</b>	<b>\$14,181,989</b>	<b>\$7,480,734</b>

**New York Cas.**—Assets, \$3,931,407; inc. in assets, \$248,038; unearned prem., \$1,132,357; loss res., \$1,113,838; liab. res., \$580,013; comp. res., \$134,881; capital, \$1,000,000; surplus, \$426,736; inc. in surplus, \$191,621. Experience on principal lines:

	Net Premiums	Paid Losses
Auto liability .....	\$ 582,165	\$ 408,501
Other liability .....	228,568	85,390
Workmen's comp. ....	161,090	102,939
Fidelity .....	422,611	97,560
Surety .....	284,823	159,663
Plate glass .....	193,604	69,282
Burglary and theft. ....	155,052	36,288
Auto prop. damage. ....	152,754	56,562
Auto collision .....	8,375	5,322
Other P. D. and coll. ....	14,997	117
<b>Total .....</b>	<b>\$2,204,043</b>	<b>\$1,021,629</b>



## WORKMEN'S COMPENSATION

### California Surcharges for Silicosis Coverage Opposed

After practically every industry affected by the proposed silicosis surcharges had protested approval of such a program, Insurance Commissioner Carpenter of California announced that those desiring to file further briefs would have until March 1. Indications as a result of the all-day hearing are that a committee will be named to make further study of the problem. Numerous such recommendations were made, the insurance carriers were attacked and special industrial committees for dust abatement were announced as a result of the proposed application of surcharges. Labor and industry combined in the attack upon the California inspection rating bureau and the carriers and the mining industry published statements in paid newspaper space attacking the companies and the entire silicosis question as a national hysteria.

J. R. Molony, former western manager Aetna Life affiliated companies and for many years official representative of casualty companies before the state legislature, led protests against the proposed silicosis surcharges at the hearing before Commissioner Carpenter. Mr. Molony, present as representative of California Manufacturers Association, protested the method of computing the charges, claiming actuaries were in error in addition to many other similar criticisms directed at the companies through the California Inspection Rating Bureau. The actuarial men present successfully withstood the combined attacks of legal and other expert authorities protesting against the charges on claims that no hazard existed and that methods used by companies in promulgating rates are inaccurate.

### Missouri Contractors Seek to Cut Compensation Rates

ST. LOUIS, Feb. 12.—The Associated General Contractors of Missouri and other contracting organizations in this state are attempting to solve the problem presented by the steadily increasing workmen's compensation insurance rates applicable to their types of operations. Such insurance is said to represent from 4 to 5 percent of the total cost of major construction jobs. Recently the contractors' organizations failed to obtain the approval of insurance companies to a plan to revise the accident prevention methods employed on construction jobs in Missouri. It is estimated that 10 percent of the payroll costs of construction work in Missouri are paid out for insurance premiums. On major building projects labor amounts to about 40 percent of the total cost while on other types of construction, such as bridge approaches, levee and drainage work, etc., labor costs amount to upward of 50 percent of the total cost.

In compiling the workmen's compensation rates for 1936 the Missouri department increased the compensation rates for the contracting groups 8.3 percent. On the other hand, manufacturing groups were reduced 0.7 percent and mercantile lines were cut 8.6 percent. In construction lines the compensation insurance rates have been raised 200 and 300 percent since 1931.

### Nebraska Claim Men Elect

The Nebraska Claim Men's Association at its annual meeting in Omaha elected George Long of the Globe Indemnity president. L. H. Busman of the General Accident was chosen secretary and treasurer. The association meets every Monday at the Elks Club and in addition is carrying out an educational program.

### Employer Contests Silicosis Experience Rating Methods

MADISON, WIS., Feb. 12.—Arguments were concluded before the Wisconsin industrial commission in a hearing on workmen's compensation rates involving silicosis hazards and specifically involving ten workers of the Milwaukee Casting Co.

The company protested a debit on silicosis 1934 experience, arising under the amendment to the compensation law passed in 1933, the debit being assessed in favor of the General Accident. It was claimed settlements were made by the General Accident on silicosis claims on a higher basis than the facts warranted, some said to have run as high as \$6,000 or \$7,000. It was said the 10 workers involved had not been employed by the Milwaukee Casting Company long enough to contract silicosis. The state law, however, holds the last place of employment responsible in such cases.

### Reverse Watertown Stand

WATERTOWN, WIS., Feb. 12.—After upholding the veto of Mayor W. F. Reichardt of the resolution which would have continued workmen's compensation insurance policies on city employees with the Employers Mutual of

Wausau, the city council by a unanimous vote reversed itself and decided to place the business with the mutual for the present at least. At the previous council meeting the veto was upheld but afterwards the mutual had published an open letter to the taxpayers of the city setting forth the saving it claims will result if the policies are continued with it as compared to the cost of stock company insurance.

### Must Adhere to Manual

OKLAHOMA CITY, Feb. 12.—Effective Feb. 15, all companies operating in Oklahoma writing workmen's compensation will be required to comply with an order of the insurance board in observing rates provided in a manual recently adopted by the board, Secretary Philpott announced. When experience in Oklahoma a few years ago was not so good, companies at times were allowed to charge by a contract agreement rates above those approved by the Oklahoma board. This resulted in a higher rate being paid by employers than the manual rate. Under a recent decision of the board compensation rates were increased 22 percent above manual. An increase of 56 percent had been asked by the companies.

### Georgia Rate Cut 12½%

ATLANTA, Feb. 12.—Deputy Commissioner Wright has ordered a cut in compensation rates of 12½ percent.

Martin Service, Cincinnati, has been incorporated to conduct a workmen's compensation insurance service by R. A. Black, H. D. Martin and R. F. Badgley.

## CASUALTY PERSONALS

George D. Webb of Conkling, Price & Webb of Chicago left this week for Pasadena, Cal., where he will spend the rest of the winter season.

Frank C. McVicar, superintendent of agencies of the Hartford Accident, was a visitor in Chicago this week on his way back to the home office following an inspection trip of about five weeks in the central west. He stopped at Kansas City, St. Louis, Minneapolis, Milwaukee, Indianapolis and other large centers.

The Commercial Travelers Mutual Accident of Utica, N. Y., will erect this year a five story building to the east of the structure it now occupies. The new building is scheduled to be completed by January, 1937. It will double the present floor space. The present building has been used since 1904 when the premium income was about \$250,000. Today the annual premium income exceeds \$4,000,000. H. E. Trevett is secretary-treasurer.

W. O. Schilling, midwest division manager of the U. S. F. & G. at Chicago, and W. H. Hansmann, vice-president Fidelity & Deposit in that city, have gone on a four-weeks' sojourn to Florida. Mr. Schilling elected to go to Coral Gables, while Mr. Hansmann selected Ft. Lauderdale.

Frederick Richardson, United States attorney and managing director of the General Accident, who is on a trip to Australia, will not return to his office until the latter part of April.

Thomas E. Griffin, Detroit, manager National Surety, has left for five weeks' stay in Florida.

C. M. Hayden, vice-president Glens Falls and Glens Falls Indemnity at Chicago, has returned to his desk after spending two weeks at the annual meeting at the home office.

Lowell I. Lofgren, former Detroit bonding superintendent of the Aetna Casualty who underwent an emergency operation immediately after his transfer

to Chicago as superintendent early in December, is slowly recovering at his home in Detroit. It will probably be several weeks more before Mr. Lofgren will be able to assume his new duties.

The Beckley-Cardy Company, 1632 Indiana avenue, Chicago, has issued a volume called "Safety Programs and Activities," which is more or less of a teacher's reference book giving 37 complete programs to be used in safety education. The programs include discussion outlines with pertinent information, appropriate songs, yells, slogans, rhymes, games and stories, safe ways for prevention of fires, accidents, etc., and first aid measures, touching every phase of safety education. The authors are Florence S. Hyde, former director of the Denver Post Safety Club and author of the "Recreation Manual for Home, School and Community," and Ruth C. Sloan, instructor in the Wilmette, Ill., public schools. The price is \$1.25.

### Illinois "O. D." Code Filed in Assembly in Five Bills

(CONTINUED FROM PAGE 40)

disease or death due to "O. D." contracted before the effective date of the act. Casualty companies preferred to have the act clear-cut, starting fresh and with no retroactive application, but it was felt unlikely the bills would be adopted if present diseased cases were ignored. The provision permits an employee who at the effective date of the act already has contracted silicosis or asbestosis to apply for a waiver from the commission and to continue in employment, provided that in event of his disability due to the disease the compensation benefits to be paid would be limited to 50 percent of the benefits to which he would be entitled otherwise under the act.

A "bridging-the-gap" provision is placed in both the "O. D." and "W. C." acts, the effect of which is, if a worker files claim improperly under one act when it should have been filed under the other, it is deemed to have been properly filed. This was necessary due to operation of the statute of limitations.

### Wisconsin Ruling Causes Automobile Cover Furore

MADISON, WIS., Feb. 12.—According to a ruling this week by the Wisconsin supreme court, motorists licensed in the state who carry limited accident insurance policies with license plates of the previous year are not protected. The case grew out of the refusal of the Great Northern Life to pay \$1,000 claim filed after an accident March 4, 1934, in which the driver was killed. The company contended the car was not lawfully registered at the time of the accident, even though the governor of Wisconsin had unofficially extended the deadline for the current year's licenses to April 1.

### Clause in Policy

The policy contained a clause that the company will pay damages in case of accident involving "any lawfully registered and licensed automobile." In the court's opinion it was pointed out that the governor had no authority or power to extend the operation of the statute or to postpone the time at which the statute declares registrations shall expire. The court therefore held that beyond the expiration date, for insurance purposes, a car is not legally registered until it is equipped with current license plates.

### LIABILITY COVER NOT INVOLVED

MILWAUKEE, Feb. 12.—Local automobile insurance agents, as well as those throughout Wisconsin, were besieged with inquiries from policyholders after the announcement that motorists are not protected by insurance if they carry limited policies and drive their cars after Dec. 31 with old license plates. With the deadline this year extended to March 1 by state officials and local officers agreeing not to make arrests before then, only 170,000 of about 623,000 cars in Wisconsin had new plates by the end of last week.

Local agents have pointed out that automobile liability policies are effective regardless of whether the person holding the policy is operating "lawfully," with the possible exception of some cheap policies with exclusion clauses which are not handled by reputable agencies.

The case decided by the supreme court, however, was not one involving an automobile liability policy but a personal accident policy issued in connection with a newspaper subscription plan. The licensing of a car by the state has no bearing on the validity of the general public liability or personal property damage policy.

### Indiana Field Club Revamped

As J. P. Scanlon, president Casualty & Surety Field Club of Indiana, has become special agent of the U. S. Fidelity & Guaranty for part of Illinois and has moved to that state, a reorganization meeting was held by the club at which the following officers were elected: President, H. E. Curry, Aetna Casualty; vice-president, H. F. von Burg, Employers' Liability; secretary, John W. Brouwer, Fidelity & Casualty; treasurer, Ben R. Turner, Jr., Fidelity & Deposit. A membership committee was appointed including David Layton, New Amsterdam Casualty; Herbert C. Krauch, attorney, and M. S. McComas, Fidelity & Deposit. A new constitution and by-laws will be presented at a special meeting March 24.

### N. J. Claim Men's Feast

NEWARK, Feb. 12.—Preparations have been made for the annual chicken dinner and entertainment of the New Jersey Claim Association in Newark the evening of Feb. 25. B. C. Orsor is chairman of the dinner committee.

The third consecutive semi-annual dividend of 50 cents a share has been declared by the Central Surety.

## Producers Submit Views on Project

(CONTINUED FROM PAGE 35)

objected to the reduction in commissions, claiming that the companies should take a cut in their percentage for home office overhead.

The delegates from the National Association of Casualty & Surety Agents unanimously approved the plan and stated they would put their force back of it. The National Association of Insurance Agents favored the plan as a general rule and wanted a graded system of commissions adopted. The brokers' representatives seemed rather indifferent and desired some changes made especially in commissions.

On the original plan it was proposed to base the commission on the rate that was used as a starting point, which was to be the average five year experience rate. There were some who advocated placing the commission on the net sum paid by the assured after his refund. The brokers' representatives apparently felt aggrieved that the New York department had ordered a reduction in brokerage and they held out for a higher level. The National Association of Casualty & Surety Agents was represented by President C. A. Abrahamson of Omaha, J. W. Henry of Pittsburgh and George D. Webb of Chicago. Mr. Henry has a large number of risks that run above \$5,000. On the local agents committee President K. H. Bair and Executive Chairman W. O. Wilson of the National Association of Insurance Agents took a prominent part as did W. Eugene Harrington of Atlanta, who is chairman of the compensation committee, and Cruger Smith of Dallas.

### Joint Committee to Function

It was felt desirable to have a joint committee of companies, general agents, local agents and brokers to go over the situation, get further data and eventually to call another conference. The companies representing the Association of Casualty & Surety Executives are A. Duncan Reid, president Globe Indemnity; E. M. Allen, vice-president National Surety, and John Grady, assistant manager General Accident. W. Owen Wilson will represent the National Association of Insurance Agents as President Bair will be out in Arizona most of the month. C. A. Abrahamson will represent the general agents and President Julian Lucas will act for the National Association of Insurance Brokers.

## Companies Resist Move to Disturb Defense Clause

(CONTINUED FROM PAGE 35)

practice. Not a word was said about insurance companies practicing law.

Mr. Mitchell contended that the insurance department has no right to molest the contract unless the supreme court says it is unlawful. The defense clause is not unconstitutional, no moral reasons can be cited against it and there has been no complaint about its use. To disturb it at this time would lead to great confusion, he said.

A. V. Gruhn, general manager American Mutual Alliance, contended that the department should take the side of the companies if such a question were ever raised.

If the defense clause were outlawed, he said, each assured would be compelled to defend his own case and pay the entire cost of the suit. The easiest course would be for the assured to admit liability and that would greatly increase the loss cost. Rate increases would be necessary and fewer people would insure. The result would be that the general public would be exposed to a greater extent than it is today. Mr. Gruhn contended that the duty to determine whether the defense clause is legal is not with the insurance director as an administrative officer of the state, but lies with the court.

Mr. Palmer mentioned that the fire

companies, in their automobile property damage policies, undertake to reimburse the assured for legal expenses incurred by him, with the consent of the insurer. Those in attendance gathered that Mr. Palmer would be better satisfied with such a clause.

Attorney L. F. Binkley pointed out that the motor club had no interest in the outcome of cases for which it provided legal service. It was not obligated to pay the damages or fines assessed against its members nor serve jail sentences for its members.

In Missouri, the statute defining the law business, according to Mr. Binkley, is the most drastic of any state. Yet the courts of that state have held that the doctrine of maintenance does not apply to those who have an interest in a case. The decision on that point has been cited favorably by the Illinois appellate court. The defense clause, used in Illinois, has been held to be a valid contract by the Illinois supreme court, for the violation of which an insurance company can be held in damages.

### Wording of Defense Clause

Mr. Binkley contended that the wording of the defense clause is not vital. If the principle of the defense clause is illegal, then the insurance company would be guilty of maintenance should it agree to finance the legal expenses of the assured. In other words, unless the insurance company has a right to defend, it has no right to finance the defense.

Attorney John A. Bloomington representing the General Accident made a particularly forceful talk. He said that no one previously had ever had the temerity to suggest that the insurance companies were practicing law. A casualty company is litigating its own affairs and there is no law against that. It is pretty late in the day, he contended, to say that the companies are practicing law without a license. Lawyers, he pointed out, are jealous of their prerogative. If there was the slightest chance to knock out the defense clause, an attempt would have been made to do so during the 40 years that the contract has been sold.

The motor club was permitted to practice law illegally for a good many years because no one was vitally affected in such practice, he said. They were appearing in justice of the peace courts in "petty, picayunish, penny ante stuff," he said. There is not even a remote connection between the motor club decision and the defense clause, he said. The motor club had absolutely no interest in the subject matter of the action for which it was providing legal service.

### Ambulance Chasing

If the defense clause should be knocked out, Mr. Bloomington said ambulance chasing would be multiplied intolerably. Ambulance chasers would seek out not only the plaintiff but the defendant. The assured would employ attorneys for personal or other reasons regardless of whether they were capable. Mr. Bloomington contended that there are not 20 lawyers in Chicago today upon whom the companies can depend to handle liability cases.

Phil J. Braun, general counsel of the Chicago Motor Club, reinforced the observations of those who had gone before. He said the motor club decision laid down only one rule and that was that the club was illegally practicing law because it had no pecuniary interest in the outcome of the cases and was merely rendering a service for a fee.

### Insurance Issue Dismissed

In the course of the motor club case, Mr. Braun said the judge asked whether the motor club did not also handle personal injury cases. Attorneys for the Motor Club replied that such litigation was handled by the Inter-Insurance Exchange of the motor club. The court then dismissed the question with the remark: "Oh yes, that is an insurance company."

Mr. Braun opposed changing the wording to provide that the insurer

should finance the legal expenses of the assured. "If you skin the cat the other way," he declared, "it will bring the lawyers and companies into disrepute."

George P. Ellis, member of the administrative committee of the Illinois chamber of commerce, said that business men would oppose knocking out the defense clause. If business men had to defend their own cases, it would be a burden upon them, he contended.

C. M. Howell of Kansas City, who represents reciprocals, endorsed what the others had said. He expressed the

belief that if the legislature passed a law denying the right of insurance companies to defend cases, it would be held invalid.

In addition to Mr. Mitchell, the other members of the committee representing the Association of Casualty & Surety Executives were Gay Gleason, general counsel Employers Liability; Merritt Hayden, general counsel Standard Accident; Freeman Read, Chicago manager Globe Indemnity, and G. H. Moloney, of Chicago, vice-president Hartford Accident.

## WOULD REVIVE ILLINOIS CODE

(CONTINUED FROM PAGE 35)

when A. V. Gruhn, general manager of the American Mutual Alliance, asked:

"Would you be willing, Mr. Palmer, to indicate the kind of bill in which you would join?"

### Bomb Shell Bursts

Mr. Palmer said that such a bill has already been drawn. It consists of 54 sections taken from the much discussed code. Among those sections are the ones defining the powers of all kinds of insurance carriers except life. It includes the code provision that fire companies would have the power to write casualty insurance and vice versa. It would involve the repeal of five existing acts, he said.

Mr. Palmer added that house bill 106 does not accomplish what is being sought. It was introduced without consulting the insurance department. Mr. Palmer said that he had pointed out the defects of H. B. 106 to the senators. H. B. 106, he said, undertakes to amend the casualty act, but it invades several other statutes. Unless some broad bill is drawn, Mr. Palmer said he would have to oppose passage of any measure such as H. B. 106. The sensible way, he said, is to "put it all in one bill."

### Anticipates Accusation

Mr. Palmer remarked that it might be said of him that he was trying to pass the code under another name. His answer to that would be, he said, that he doesn't care whether the code passes, but if the companies desire to have the power to write blanket bonds, they must get that power under proper statutes.

After considerable sparring, it was arranged that Mr. Palmer should receive a committee of insurance people in Springfield Wednesday of this week in an attempt to get the bill which he favors in proper shape. Mr. Gruhn volunteered to support Mr. Palmer's legislation. The mutual companies have been on record in favor of the code right along. E. M. Allen, who had at the outset offered to cooperate in framing legislation, was "on the spot" and he finally agreed to undertake to get authority to appoint a casualty representative and a surety man to participate in the committee. He designated E. V. Mitchell, general counsel Continental Casualty, to act as the casualty representative and B. J. Nietschmann, Chicago manager National Surety, to represent the surety interests.

### Fire and Marine Places

The National Board was not officially represented nor were the marine interests, but Mr. Palmer had places on the committee for them. In addition there is a representative of the agents and another of the brokers.

Those who attended the morning session on the question of the right of casualty companies in their automobile liability contracts, to agree to defend the assured in court, witnessed a lively scene, but the real fireworks occurred in the second session.

The company spokesmen made a very forceful apology for the so-called defense clause and observers came to the conclusion that Mr. Palmer would not be likely to press this issue further. At the conclusion of the hearing Mr. Palmer announced that he would confer further with members of his staff and

would submit the question to the attorney-general. He said he would not hand down a decision before 15 days at least. If he should hold against the companies, he said, he would cooperate with them in arranging a test case.

Mr. Palmer, at the outset of the second hearing, said he is not opposed to the issuance of bankers' blanket bonds. He said he is in favor of permitting the companies to write all the coverages. Their writing powers should be broadened. Fire companies should be permitted to write casualty and vice versa.

Mr. Gruhn said that obviously the law is deficient and legislation is necessary to legalize that which every one admits is not against public policy. There is a public demand for blanket bonds, he declared, and the department, he contended, should take the practical aspect of the problem into consideration. Insurance departments, according to Mr. Gruhn, have not always followed the law literally. The Illinois department, he declared, has received more criticism for trying to do a good job than past administrations have for failing to do so. He expressed the hope Mr. Palmer would find it possible to permit the situation to remain as it is, so the companies at the next regular session of the legislature can get behind the legislation to remove the deficiency.

### Takes Dig at Foes

Mr. Gruhn injected a dig against his stock company opponents. He referred to the Neeley bill in Congress, which would have placed a federal penalty upon an insurance company conducting an unauthorized business in any state. This legislation was sponsored by the surety companies in an attempt to hamstring London Lloyds. Had the Neeley bill been passed, Mr. Gruhn said, the surety companies would now be guilty of transacting an unauthorized business in Illinois in writing blanket bonds in violation of the Illinois statutes. This, he said, illustrates the danger of sponsoring legislation because of the exigencies of competition rather than promote the public welfare. Mr. Gruhn said the mutual companies are willing to cooperate in trying to procure corrective legislation at this time.

In answer to a question from Mr. Palmer, Mr. Gruhn said he would be willing to confer with London Lloyds as well as the stock companies in the matter.

### Asserts Cover Is Legal

L. F. Binkley of the law firm of Ekern & Meyers of Chicago, which represents several marine concerns, was the only one who attempted to prove that blanket bonds could be written legally under the Illinois laws. He referred to the miscellaneous provision in the Illinois stock casualty act permitting casualty companies to write "any other kind of insurance." Mr. Binkley contended that bankers blanket bond is a distinct kind of insurance and is an insurance unit and is therefore covered under the miscellaneous provision. These blanket bonds have been on file with the department, they have acquired a valuable place and there is public demand for them. If separate policies would have to be issued to cover the various hazards, and separate companies were involved in each case, there would



be conflict and a question of liability in every loss.

Mr. Binkley said that certain casualty companies in Illinois were writing automobile fire insurance. Mr. Palmer denied that this is so. He asked Mr. Binkley to identify such companies. This Mr. Binkley refused to do and the point was not pressed further.

#### Would Go Outside State

Mr. Binkley contended that if Mr. Palmer outlaws bankers' blanket bonds, the public will be forced to go outside the state to make its contracts and the entire matter will be removed from the jurisdiction of the Illinois department.

The question of London Lloyds was injected and the issue was considerably confused for that reason.

Duncan Lloyd of the Chicago law firm of Lord, Lloyd, & Bissell, representing London Lloyds, objected to the fact that Mr. Palmer was not including the London Lloyds section in his proposed revival of the code.

What Mr. Lloyd wanted was to have Sec. 59 of the code included in the resurrection. That was the section upon which there was a degree of agreement among some of the insurance interests. R. M. Redmond of Chicago, prominent broker, said the brokers would favor the inclusion of Sec. 59.

#### Stock Companies Opposed

E. M. Allen said the stock companies did not propose to get mixed into the Lloyds controversy. He mentioned the truce between the casualty companies and Lloyds which applies in every state except Illinois. The stock companies, he said, could not agree to confer on a proposition to legitimize Lloyds operations in Illinois. They would be subject to severe criticism from their agents if they attempted to condone in Illinois what they do not condone elsewhere. There is a tacit understanding, according to Mr. Allen, that the truce will be extended to Illinois. Lloyds, he contended, should operate strictly as a reinsurer and the principal Lloyds underwriters agree in that contention, he said.

The question of Lloyds and its Illinois operations is to be discussed in London by the committee of American executives that is now in England. The Illinois question is being discussed in London to a certain extent at the invitation of Lloyds itself, he said.

Mr. Allen then proposed that Mr. Palmer set a deadline beyond which the companies should cease writing blanket bonds. A deadline, he said, should allow a leeway of perhaps two weeks so that the insured might arrange to substitute other forms of insurance.

After some more bickering about the Lloyds situation, Harry Hausman of the Illinois Bankers Association who disavowed that he was speaking for that organization however, said that all the public wants is service at the proper

price. He said he would like to see a compromise so that the legislation favored by Mr. Palmer can be passed. He suggested how Mr. Palmer's bill, plus the Lloyds section, by certain legislative legerdemain could be introduced and passed in two legislative days. The Bankers Association, it is well known, has been a strong supporter of London Lloyds.

Rockwood Hosmer, chairman of the legislative committee of the Illinois Association of Insurance Agents, said the agents endorse the position that Mr. Allen took. He contended it would be "overloading the wagon" to attach the Lloyds section.

Mr. Redmond said he could not understand the opposition of the agents to the Lloyds section. That section, he said, really limits the operations of Lloyds in Illinois. He said in recent weeks Lloyds have become much more aggressive in competition with the American companies and he declared that they are now writing steam boiler business.

#### Lloyds Also Restricted

In answer to a question from O. E. Aleshire of Parker, Aleshire & Co., Mr. Palmer said that Lloyds, no more than stock casualty companies, was authorized to write blanket bonds under the existing statutes.

Allan I. Wolff, former president National Association of Insurance Agents, contended it would be complicating the issue to inject the London Lloyds issue. Mr. Allen, he declared, properly said that the agents would misunderstand and take offense at any cooperation on the part of the casualty companies tending to legitimize London Lloyds.

Duncan Lloyd then scored a hit. He said London Lloyds would not be in a position to do any direct business in Illinois if it were not for the local agents who bring the risks to Lloyds. Both Mr. Hosmer's and Mr. Wolff's firms, he said, are agents of Lloyds. He said that Lloyds are useful to agents, who are met by mutual competition. When such competition threatens, the agent can meet the price by Lloyds cover. He said Lloyds does not desire to engage in cut throat competition but if there is to be a general revision of the laws, everyone should be given a "break." He mentioned that the truce with Lloyds applies only to blanket bonds.

#### Lobby of Edward VIII

Mr. Gruhn said the mutuals are willing to support Mr. Palmer's program with or without Sec. 59, but he said the lobby of "King Edward VIII" is so potent that legislation could not be passed without Sec. 59 included.

Just before the hearing concluded, Mr. Palmer injected a new source of complication when he said that under the existing statutes the comprehensive householders policy is being written illegally.

The committee representing the Surety Association of America consisted of Mr. Allen, E. V. Mitchell, general counsel Continental Casualty and C. L. Phillips, vice-president United States Fidelity & Guaranty.

#### Joint Meet in California

LOS ANGELES, Feb. 12—The Casualty Association of Los Angeles and the southern California sectional committee of the National Bureau of Casualty & Surety Underwriters held an annual joint meeting here and each elected officers for the ensuing year. H. C. Gillespie, southern California manager U. S. F. & G., was elected chairman of the Casualty Association; J. E. Joseph, manager Commercial Union-Ocean group, was elected vice-chairman, and L. B. Grayson, of Rolph, Landis & Ellis, reelected secretary-treasurer. The southern California committee of the Bureau, elected G. F. Houghton, manager Hartford Accident & Indemnity, chairman, together with F. R. Robinson, manager Globe Indemnity and J. E. Joseph, manager Ocean.

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## FIDELITY AND SURETY NEWS

### Michigan Surety Group Meets

**H. B. Carr of Fidelity & Casualty Named President of State Association at Detroit Meeting**

DETROIT, Feb. 12.—H. B. Carr, Detroit, resident manager for the Fidelity & Casualty, was elected president of the Surety Association of Michigan at the annual meeting here. Mr. Carr, who succeeds L. I. Lofgren of the Aetna Casualty, has been active in the affairs of the association for some years, both while he was surety manager and later when he became resident manager for his company. He served as vice-president last year.

J. C. Smith, manager American Surety, was named vice-president and Roger Quail, surety underwriter in the Standard Accident Detroit branch, was elected secretary-treasurer, succeeding V. L. Sharpe, National Surety.

#### Executive Committee Members

W. H. Lewis, vice-president of the Michigan Surety, Lansing, was elected chairman of the executive committee. Other members were W. G. Curtis, Jr., manager casualty and surety department of the Detroit branch National Casualty, and Frank Gorman, of Gorman & Thomas, general agents Continental Casualty.

President Carr reviewed the activities of the Association during the past year and retiring Secretary Sharpe presented his annual report. Martin Bradley, now collector of customs of the Port of Detroit, who was for 10 years in the state house of representatives, and for four years was speaker, outlined the procedure of lawmaking and gave a birds-eye view of lobbying.

### Anticipate Changes in New Form No. 14 Revised Bond

The new brokers blanket bond, form No. 14 Revised, promulgated last week by the Towner Rating Bureau and Surety Association of America, is expected to undergo a number of changes before it finally comes into use. A subcommittee is working on the matter and company officials expect the revisions will be announced within a week or so.

Form No. 14 Revised was brought out to replace the old form No. 14 and also form No. 8 Revised on brokers' and investment bankers' risks. It combines the cover of the other two bonds, with a number of broadened points, at approximately the rates charged for the old form No. 14. Forgery insurance, previously written only under form No. 8 Revised, has been included as an optional coverage.

There has been a great deal of discussion regarding the new form in surety offices, but most companies have held off printing the new form until the final revisions are made. Most companies have bulletined their branches and field men, describing the changes in the new form and are now awaiting further developments.

### To Cancel Performance Bonds

SAGINAW, MICH., Feb. 12.—Finance Director Mowitt, who recently took office under the new commission-city manager form of government adopted here, is acting to cancel performance bonds on a large number of city officials, contending that such bonds are unnecessary and profit only the insurers and their agents.

Bonds to be kept in force are: city treasurer, \$100,000; deputy treasurer, \$100,000; treasury clerks (4), \$20,000; controller, \$10,000, and deputy controller, \$5,000.

### Maryland Casualty Is Named

**Gets Bond on \$5,583,000 Subway Link in New York as Originating Company**

NEW YORK, Feb. 12.—The Maryland Casualty, through its New York office, is the originating surety for the Rosoff-Braden Construction Corporation covering a contract for \$5,583,768 on Section 101 of the new Sixth Avenue subway, New York City. This is the initial section of the Sixth Avenue link of the Eighth Avenue subway, the "Independent System," which is operated as well as owned by New York City.

The first section will extend from Fortieth streets to Forty-Seventh street. Part of this section will be dug at a considerable depth, as it will be necessary to dip under the Interborough's crosstown subway tracks at Forty-Second street. Also, pillars of the Sixth Avenue elevated line must be supported by underpinning unless the contemplated destruction of that structure is arranged for speedily. Construction work will begin March 15. The complete job will take about five years.

### U. S. Supreme Court to Hear Case Involving License Bond

Hearing has been granted by the United States Supreme Court in a case involving the question of constitutionality of the Illinois statute adopted in 1919 requiring produce commission merchants to be licensed and to secure a surety bond running to the state, the penal sum to be decided by the state director of agriculture. The case, People ex rel Walter W. McLaughlin, director of agriculture, appellee, vs., G. H. Cross Co., et al, which latter was bonded by the Hartford Accident, was decided Oct. 14, 1935, by the Illinois supreme court in favor of the state, judgment on the bond being awarded on account of commissions claimed due to various parties.

The bond was in penal sum of \$5,000. The Hartford Accident, which defended the commission firm, argued that the law was unconstitutional since it imposed a burden on interstate commerce and also delegated an arbitrary power to an administrative officer. The Illinois supreme court ruled that interstate commerce was not affected as produce shipments ceased to be interstate commerce when they arrived at the destination and were sold on commission.

### Would Require Bonds

Bills have been introduced in Mississippi and South Carolina requiring insurance companies to furnish bonds. The South Carolina requirement would make every company deposit \$20,000 limit while a Mississippi bill would require foreign fire and casualty companies to furnish \$10,000 to \$50,000 bonds.

### Denver Casualty Group Meets

DENVER, Feb. 12.—The Mountain States Casualty & Surety Association, at its monthly meeting here, appointed committees to investigate the effects of I. C. C. trucking regulation and the new social security act on insurance. New educational and membership committees were appointed and the acquisition committee was instructed to continue its work. C. B. Tylor of the U. S. F. & G. will talk on the bankers blanket bond at the next meeting.

The American Motorists of Chicago has been admitted to Georgia and has appointed C. L. R. Nichol as Atlanta agent.

## Pink Gives Case for Standard Rate

(CONTINUED FROM PAGE 35)

unless justified by the experience of each class of risk.

Some people seem to think that compulsory insurance such as obtains in Massachusetts means a decrease in the motor vehicle accident toll, Mr. Pink observed. Insurance people, he said, know that this is not so. While it cannot be shown that compulsory insurance increases accidents because it tends to make motorists careless, it does not decrease them. It probably has little or no effect upon the frequency or severity of accidents, he concluded.

"The reckless and improvident motorist is not driven from the highway because of inability to obtain or pay for insurance," Mr. Pink said. "Compulsory insurance very substantially increases the number of claims, increases the cost of insurance, and makes the fixing of rates, which should be based purely upon experience, a political football."

"In Massachusetts," he observed, "there is today wide dissension over the law and some substantial demand for its repeal." In the 28 states which have financial responsibilities laws there is reasonable satisfaction with the law. There is no call for repeal, he said, but there is some demand that the law go further in protecting the victims of motor accidents.

#### Extended Protection

Compulsory insurance does give added and extended financial protection. The percentage of recovery from insured motorists is high; from those who are not insured it is low. "If the financial responsibility law does not go far enough and we owe further protection to the public, should we not give serious consideration to some plan other than that of Massachusetts which has been tried for nine years and is still the subject of much dispute?" Mr. Pink asked.

Insurance Commissioner DeCelles of Massachusetts, he recalled, suggested that the coverage be limited to pedestrians. There is apparently little claim consciousness on the part of pedestrians. It is the occupants of cars who bring multitudinous suits. At least three of the Scandinavian countries which have compulsory insurance protect pedestrians only.

"If Massachusetts has not gone far enough," Mr. Pink declared, "future legislation points in the direction of definite payment of fixed sums for automobile accidents without regard to negligence, along the line of workmen's compensation."

"It is a grave problem. Thirty-six thousand deaths and a million injuries in a year constitute a major national problem. My plea is not for contentment with the financial responsibility act which has given such general satisfaction as the ultimate goal, but rather for hesitation in blindly following Massachusetts without further study and serious consideration."

#### Test of Experience

The fixing of standard insurance rates, he said, has stood the test of time and experience. Those businesses which are impregnated with public interest must be state regulated for the protection of the public against high, oppressive and monopolistic prices, and for the protection of the solvency of the companies. Uniform rates are designed to provide solvency for the companies. They imply a steady but moderate return on invested capital, and a price to the public based on actual cost plus reasonable profit and not upon the manipulations of speculators.

Mr. Pink contended that conditions are most satisfactory in those states where the nearest approach to a uniform automobile rate is the practice. Where there is cutthroat competition the solvency of the companies is affected and rebating, excessive commissions, and

other evils result. Standard rates prevent both high profits and great losses. Standard rates produce an orderly, efficient business rather than a competitive war, he asserted.

In New York there may be uniform discounts specifically approved for companies which prove by their financial condition and their loss ratios that they are entitled to them.

#### Appellate Court

The state is sort of an appellate court which passes upon the filings made by the rate-making bodies representing the companies. While the law does not prohibit one company, or a group of companies, from establishing its own rates, as a practical matter rate making is expensive. Companies must group together in order to do it economically and get the benefit of wide experience which is essential in fixing a fair rate. A so-called independent company must in New York invariably fix its rates by following the "rates of the rating organization in which it has membership or whose rates it adopts as its standard." While the company is not compelled to join a rating organization, in practice it must do so or at least it must follow the rates which have been fixed by a rating organization. It can modify those rates only on proven experience and the approval of the department.

Departures from the rates fixed must be uniform.

#### Two Rating Bodies

There is no legal limit on the number of rating organizations that may be established, but it is obviously to their advantage to have few organizations, he said. There is a rating bureau for stock companies and another for the mutuals. Conflicts and misunderstandings arose and it became apparent, he said, that there must be a close cooperation between the two rating bureaus. There were differences of actuarial methods and in underwriting results. The rates varied upwards or downwards by territories and by classifications. The department requested the rating organizations to reconcile their differences.

Accordingly the work of the stock company bureau and the mutual bureau was coordinated.

The New York law and its administration have led to a uniform standard of rate making for automobile casualty coverage as well as fire, theft and collision which is fair and equitable and is generally followed by all of the companies, he said. There are few deviations and these are permitted only as the result of stability and experience.

In New York policy forms are submitted with rate filings and every possible effort is made toward uniformity and simplification. The recent standardization of automobile casualty policies by a joint committee of stock and mutual companies is an important and progressive step for which the companies deserve due credit, according to Mr. Pink.

#### New York Principle

New York has followed the principle of dividing the state into a number of districts or territories with a similar loss experience. There are twenty-four of these.

There is no reason, Mr. Pink said, why the losses incurred in the careless or dangerous community should be paid by residents in the agricultural regions or in the small towns or villages where accidents are comparatively few.

"We are not free from boundary problems and injustices constantly occur. We are changing the rates of the various areas upwards and downwards as experience dictates. We rectify boundaries where it is shown that some territory is unfairly placed in a given district," Mr. Pink observed.

"Just as higher taxes in cities have a tendency to encourage the population to spread out into the suburbs and nearby country territories so increased automobile rates in the cities are an appreciable factor in the spread of population and the growth of the suburban territories."



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